AGREEMENT

Dated December 16 1977

Between

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF MANITOBA
of the First Part

and

THE MANITOBA HYDRO-ELECTRIC BOARD
of the Second Part

and

THE NORTHERN FLOOD COMMITTEE, INC.
of the Third Part

and

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
As Represented By THE MINISTER OF INDIAN
AFFAIRS AND NORTHERN DEVELOPMENT
of the Fourth Part

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THIS AGREEMENT MADE IN QUADRUPLICATE the 16th day of December A.D. 1977

BETWEEN:

THE GOVERNMENT OF MANITOBA,
("Manitoba"),

- and -

THE MANITOBA HYDRO-ELECTRIC BOARD
("Hydro")

- and -

THE NORTHERN FLOOD COMMITTEE, INC.,
a corporation acting with the financial support of Canada, which was incorporated by the Indian Bands of Nelson House, Norway House, Cross Lake, Split Lake and York Factory, and negotiated on their behalf ("Committee"),

- and -

THE GOVERNMENT OF CANADA, as represented by THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT,
("Canada")

WHEREAS:

A. Hydro and Manitoba are engaged in the development of hydro-electric power through projects commonly known as the Lake Winnipeg Regulation and Churchill River Diversion Project ("the Project" as hereinafter defined):

B. As a result of the Project, the water regime of certain waters, rivers, lakes and streams has been, or will be modified;

C. As a result of the modification of the water regime, adverse effects have occurred, and may continue to occur, on the lands, pursuits, activities and lifestyles, of the residents, individually and collectively, of the Reserves of Cross Lake, Nelson House, Norway House, Split Lake and York Landing ("the Reserves" as hereinafter defined);

D. The parties wish to ensure that all persons as defined herein, who may be, or have been, directly or indirectly, adversely affected by the Project shall be dealt with fairly and equitably;

E. Uncertainty as to the effects of the Project, with respect not only to the Project as it exists at the date of this Agreement but also as it may develop in the future, is such that it is not possible to foresee all the adverse results of the Project nor to determine all those persons who may be affected by it, and, therefore it is desirable to establish through the offices of a single arbitrator a continuing arbitration instrument, to which any person adversely affected may submit a claim, and as well as to fully empower such arbitrator to fashion a just and appropriate remedy;

F. Canada and Manitoba acknowledge the need to set forth the principles on which compensation will be based in respect of those matters set forth in this Agreement;

G. Canada, by virtue of its jurisdiction and

responsibility for Indians and lands reserved for Indians, is committed to playing an active role in providing opportunity for the continued viability of the communities and, in particular but without limitation, in making available resources and expertise to the communities in planning and improving the social and economic conditions of the communities, and in ensuring that the special rights of Indians, including those arising from Treaty 5, are adequately protected;

H. Canada agrees that it is necessary to co-ordinate its normal program responsibilities for the Bands or the members thereof with the benefits and measures provided by and/or pursuant to this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and of the covenants herein contained, the sufficiency of all of which is hereby acknowledged, the parties mutually covenant and agree as follows:

ARTICLE 1
Definitions

In this Agreement:

1.1 "Affected lands" means the Easement land as defined in Article 1.8.

1.2 "Arbitrator" means the arbitrator appointed pursuant to this Agreement.

1.3 "Band" means any of the Norway House, Cross Lake, Nelson House, Split Lake and York Factory Indian Bands.

1.4 "Band Council" means a "Council of the Band", as defined in the Indian Act, R.S.C. 1970, Chapter I-6 and established pursuant thereto, in respect of any of the Bands.

1.5 "Claim" means any matter submitted by any person to the Arbitrator for his decision.

1.6 "Community" shall mean all persons collectively, resident on a Reserve, but shall be used as a term of reference interchangeably with "Reserve", as may be appropriate to the context.

1.7 "Easement" means the right granted to Hydro in perpetuity, to inundate and store water on portions of the easement land as provided in Article 3. without being liable for any loss or damage to any person or property on

the said land which may be caused by or result therefrom, together with the right to enter upon and use the easement land to do bank protection, maintenance and other related work, and the right of ingress and egress to the easement land over and through a Reserve for these purposes.

1.8 "Easement land" means the Reserve land between the severance line and the boundary of the Reserve adjacent to the shoreline in which an easement in perpetuity is granted to Hydro.

1.9 "Mitigatory measure" means any work, program or measure which is designed or intended to diminish, prevent, or ameliorate any adverse effect of the Project.

1.10 "Navigation" includes all use at any time of the year by any person of the waterways affected by the Project for travel, access to wildlife resources and recreational purposes.

1.11 "Order" means any award, order, decision, ruling, direction, determination or recommendation made by the Arbitrator pursuant to this Agreement.

1.12 "Person" means any individual who is a member of a Band, or any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised of such individuals or any unincorporated

association or corporation established by any Band Council, or any Band Council or any Band.

1.13 "Project" means the Lake Winnipeg Regulation and the Churchill River Diversion Projects as described in the Summary Report of the Lake Winnipeg, Churchill and Nelson Rivers Study Board (April 1975) (Nelson River Development) as more particularly shown on pages 18 and 19 of the Summary Report. A schematic map prepared by Hydro is attached hereto as Schedule "A" showing the addition of Early Morning and Kepuche generating stations on the Burntwood River at static inundation levels of 810'and 710' A.S.L. respectively. The permitted static inundation levels are as determined by Article 3.9.

1.14 "Remedial measure" means any work, program or measure which is designed or intended to enhance, preserve, restore or replace in kind, wholly or in part, any property, land, land use interest or activity of any person, which has been or may be adversely affected by the Project.

1.15 "Reserve" shall have the same meaning as contained in the Indian Act, i.e. any tract of land, the legal title to which is vested in Her Majesty The Queen in right of Canada, that has been set apart by Her Majesty for the use and benefit of a Band, at the time of the signing of this agreement or at any time subsequent thereto and more particularly means the Reserves commonly known as Nelson House, Cross Lake, Norway

House, Split Lake, and, for the purpose of this Agreement, York Landing.

1.16 "Resident" means any individual person who is a member of a Band, and whose principal residence is located on a Reserve.

1.17 "Settlement" means a community together with all non-treaty Indians and Metis, collectively, whose principal residences are adjacent to a community and within the area commonly described by the name of the community, notwithstanding that the location of such residence may also be described by some other, more particular name.

1.18 "Severance Line" means the upland boundary of the easement land as herein defined and the location of the severance line in each Reserve is defined in Article 3.6. The location of the severance line will be shown on maps prepared following completion of the legal surveys as required in Articles 3.11 hereof, and such maps, when completed, shall form part of this Agreement.

1.19 "Static Inundation Level" means the inundation level with wind effects eliminated.

1.20 "Trapline Zone" means the Registered Trapline Zone set aside by Manitoba generally for the use of a community as at the date of this Agreement as shown on a map or maps

attached hereto and forming part of this Agreement identified as Schedule " B".

1.21 "Water regime" means the levels and flows including the fluctuations thereof and the timing thereof throughout the waterways, as these prevailed before modification by the Project and, to the extent determinable, as they would have prevailed in the future, if the Project had not been developed.

1.22 "Waterway" means any river, stream or lake on which the water regime is controlled or is modified in any way by the Project.

ARTICLE 2
General Provisions

2.1 Upon ratification, Canada and Manitoba shall take such steps as are necessary to give effect to all of the provisions of this Agreement.

2.2 Nothing in this Agreement shall be deemed to extend Canada's obligations to persons not defined as Indians in the Indian Act.

2.3 This Agreement shall be without force and effect and shall be without prejudice to the Bands until and unless ratified by the Bands by the procedure set out in this Article.

2.3.1 Within ten days of the signing of this Agreement by all parties, Manitoba, the Committee and Canada each shall name two representatives to constitute a Steering Committee that shall have the responsibility for the conduct and oversight of a referendum to determine whether or not this Agreement is ratified by a majority of the Members of the five Bands. One of the representatives named by Canada shall be appointed by Canada to serve as Chairman of the Steering Committee. The Chairman shall call the first meeting of the Steering Committee within fourteen days of the signing of this Agreement by all parties.

2.3.2 The Steering Committee shall submit a proposed budget for the conduct of the referendum to Canada and Manitoba for approval. All costs of the referendum shall be shared equally by Canada and Manitoba.

2.3.3 The referendum shall be completed, and the results reported in writing by the Steering Committee to the four parties within 60 days from the date of signing of this Agreement.

2.3.4 All decisions of the Steering Committee shall be determined by majority vote.

2.3.5 The Steering Committee shall name a presiding officer to be solely responsible for the conduct of the referendum on each Reserve under the direction of the Steering Committee. The Steering Committee shall determine the honoraria to be paid to the presiding officer, which honoraria shall be included in the budget specified above.

2.3.6 The referendum will be held on each Reserve not sooner than ten days after a public meeting is held on the principal Reserve of the Band concerned, for the purpose of discussing this Agreement and answering questions that may be raised by band members concerning this Agreement. The meeting shall be chaired by the presiding officer who will give public notice of the time and location of the meeting not less than seven days before the meeting.

2.3.7 The referendum will be conducted by secret ballot in which only persons registered as members of the five Bands, as of the day on which the ballot is held for the Band, shall be eligible to vote. The presiding officer shall have the sole authority to determine whether persons presenting themselves at the polling places are in fact the persons they purport to be, and are registered as members of the Band concerned as of the date that the ballot is held for the Band concerned.

2.3.8 The presiding officer shall forward the ballot box under unopened seal to the Steering Committee, in accordance with the instructions of the Steering Committee. The Steering Committee shall open all the ballot boxes and count the ballots only when all the ballot boxes have been received by it. The Steering Committee will report the results of the ballots in writing, under confidential cover, by community, to each of the four parties. A simple majority among all ballots cast will be deemed to be a ratification of this Agreement.

2.3.9 The Steering Committee shall have authority to interpret the provisions of the ratification process and to adopt other requirements as may in its opinion be required provided that such requirements are not contrary to the provisions of this Agreement.

2.4 The obligations of Canada to Indians pursuant to the Indian Act and the obligations of Manitoba to Indian residents of Manitoba in the form of programs, projects and other funding, shall apply to the Indian residents of the Reserves, subject to the normal criteria established from time to time for the application of such programs and projects and shall in no way be diminished by any entitlements pursuant to this Agreement.

2.5 The parties agree that the area and boundaries of the Reserve of the York Factory Band at York Landing have not been ascertained at the date of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, neither the said Band nor any member thereof shall be prejudiced by virtue thereof, in respect of any claim.

ARTICLE 3
Land Exchange

3.1 Any Band whose Reserve lands are affected ("affected Band") shall be compensated by Manitoba granting to Her Majesty the Queen in right of Canada, for the use and benefit of the affected Band, an area of land equal to not less than four (4) acres for every acre of affected lands (as herein defined), free and clear of any encumbrances except any such easements in favour of Hydro as are provided in Article 3.5.

3.2 The land granted in compensation shall be selected from unallocated, unencumbered and unoccupied land, owned by Her Majesty the Queen in right of the Province of Manitoba, in the area commonly used and enjoyed by the community in the exercise of its traditional pursuits, and the land selected shall not necessarily be contiguous with a Reserve. In the absence of agreement between the parties on any parcel proposed for selection, the provisions of Article 24 shall apply. In order to avoid the undue restriction of the lands from which selection may be made, land set aside as a "Water Power Reserve" shall not be deemed to be allocated, encumbered, occupied or required for public purposes by reason only of it being set aside as a "Water Power Reserve". Land in respect to which Manitoba has set aside, granted or assigned timber rights shall not be deemed to be allocated, encumbered, occupied or required for public purposes by reason only of it being so set aside, granted

3.2 (contd.)

or assigned, but land which is being actively logged at the date of this Agreement and land occupied by or used in connection with active logging camps shall be deemed to be allocated, encumbered or occupied.

3.3 The Band Council shall be entitled to identify the parcel or parcels of land it is prepared to accept in exchange for the affected lands, and provided they are not required for public purposes, Manitoba shall transfer such lands so that the said lands will constitute a Reserve, with all the rights appurtenant to Reserves occupied by the Bands or any of them at the date of this Agreement, including, without limitation, all mineral rights. Any area so selected shall be subject to the right of Manitoba to exclude therefrom within three months after receipt of identification of such area, any area required by reason of intended specific use for public purposes. Such exclusion shall be identified by Manitoba submitting to the Band Council a map showing the excluded portion and a letter stating the area of the excluded portion and the intended specific use.

3.4 The Band Council may, at any time within five yea following the date of this Agreement, notify Manitoba by Band Council Resolution that it wishes to exchange the land received pursuant to Article 3.1, or part thereof, for any other equal area of land owned by Her Majesty the Queen in right of the Province of Manitoba in the vicinity of the community affected,

3.4 (contd.)
and such lands shall be transferred to the use and benefit of the Band as provided in Article 3.3.

3.5 Consistent with past practice and community attitudes in relation to land ownership and use, where land is transferred to the Bands pursuant to Article 3.1 or Article 3.4, and abuts any waterway, the boundaries shall be projected to the margin of the water so that the boundary of the parcel transferred shall be the upper margin of the water as it prevails after modification of the water regime. However, Hydro shall be granted an easement in perpetuity in the portion of the parcel below a severance line to be determined by Hydro in the manner set forth in this Article. The area of the land over which Hydro is granted such an easement shall not be considered to be part of the quantum of land which Manitoba undertakes to transfer as the entitlement pursuant to Article 3.1.

3.6 Each Band shall facilitate, and Canada shall grant to Hydro the easement in the following Reserve lands:

3.6.1 At the Cross Lake Reserves, all reserve lands below 690 ft. A.S.L. and contiguous to the Nelson River;

3.6.2 At the Norway House Reserves, all Reserve lands below 717.5 ft. A.S.L. and contiguous to the Nelson River;

3.6.3 At the Nelson House Reserves, all Reserve lands below 814 ft. A.S.L. and contiguous to the Burntwood and Footprint Rivers and all land below the "protected severance line" shown on figures marked 6A to 6F inclusive attached hereto as Schedule " C", where such line is shown above elevation 820 ft. A.S.L. and such portions of the line shall be deemed to include the projection thereof from elevation 820 ft. A.S.L. to 814 ft. A.S.L.

3.6.4 At the Split Lake Reserves, all Reserve lands below 559 ft. A.S.L. and contiguous to Split Lake;

3.6.5 At the York Landing Reserve, all Reserve lands below 559 ft. A.S.L. and contiguous to Split Lake.

3.7 The upland boundaries of the easement lands as defined in Articles 3.6.1 to 3.6.5 above are the severance lines in each Reserve. These severance lines shall be determined from the best mapping and information available. Manitoba shall make available to the parties by August 31, 1977 maps showing the severance lines.

3.8 The severance lines referred to in Article 3.7 are preliminary determinations and it is agreed that they shall be more specifically determined in accordance with the provisions set out in Article 3.12. The severance lines so determined shall, subject to the approval of the parties, be the final severance lines. No party shall unreasonably

3.8 (contd.)
withhold its approval to an alteration of the severance lines as required by the provisions of Article 3.12.

3.9 The granting of the easement by Canada is subject to the following conditions:

3.9.1 That Hydro shall, to the extent it is possible to do so and is within the control and authority of Hydro, control the flow of water on the regulated waterways so as to ensure that the static inundation levels of waterways adjacent to each Reserve do not exceed the following:

3.9.1.1 At Cross Lake, 687 ft. A.S.L.;

3.9.1.2 At Norway House, 715 ft. A.S.L.;

3.9.1.3 At Nelson House, 800 ft. A.S.L. before construction of any dam, the forebay of which includes Threepoint Lake, and 802 ft. A.S.L. during and after such construction;

3.9.1.4 At Split Lake and York Landing, 556 ft. A.S.L.

All levels refer to Canadian Geodetic Datum established at the date of this Agreement.

3.9.2 That Hydro will use all practical means, including adjustment of flows through control structures, to prevent any inundation of Reserve lands lying between the static inundation level and the severance line.

3.9.3 That the easement is granted to Hydro solely for reasons directly associated with the Project and does not grant to Hydro any other rights in the easement land.

3.10 Canada and the Bands shall not develop, improve or construct any temporary or permanent structure on the easement land other than those which the Band Council deems necessary for the social and economic well-being of the Band. Any such structure or improvement shall not impede or adversely affect the rights conferred upon Hydro by the easement. Hydro shall not be liable for damage to any structure or improvement unless such damage occurs as a result of inundation caused by the negligence of Hydro.

3.11 Subject to Articles 3.12 and 3.13, Manitoba shall cause to be performed all such legal surveys of all Reserve lands contemplated by this Agreement in order to give full force and effect to all of the above provisions concerning land exchange at no cost to the Bands or Canada, and shall use its best efforts to ensure that such surveys are carried out expeditiously upon, and in any event within not more than twelve months after, receiving notice of any Band Council resolution duly approved by Canada of the need to survey any particular boundary, and/or parcel.

3.12 The area of the affected lands for each Reserve shall be determined, for the purpose of the land exchange provisions herein, as follows:

3.12.1 Manitoba agrees to determine severance lines for the Reserves based on the process and methodology employed for geotechnical studies pursuant to the Canada-Manitoba Northlands Agreement (1976 - 1981). The said severance lines shall reflect the margin of the effects of flooding, erosion, ice conditions, wind setup, and wave up-rush on the land above the Static Inundation Levels described in Article 3.9.

3.12.2 The severance lines shall be inscribed on photo maps of the Reserves (at a scale of at least 1:2,000), and said maps shall be compiled to accuracy standards as contained in specifications for 1:2,000 mapping by Surveys and Mapping Branch, Province of Manitoba, and the Department of Energy, Mines and Resources of Canada. Such maps shall be made available to all the parties.

3.12.3 The severance lines as presented in Article 3.12.1 above shall be legally surveyed by Manitoba pursuant to requirements of the Surveyor-General of Canada and incorporated into legal plans of the Reserves. The legal description and area of lands to be subject to a grant of easement in favour of Hydro shall be according to the said legal plans of the Reserves pursuant to requirements of Canada and Manitoba for subdivision of land.

3.12.4 The plans and easements shall be filed in the Indian Lands Registry in Ottawa, and at the option of

3.12.4 (contd.)

Manitoba, in the appropriate Land Titles Office in Manitoba.

3.13 It is estimated by Manitoba that completion of the requirements of Article 3.12 with respect to settled areas can be accomplished within six months of ratification of this Agreement and the remainder of the requirements within a further eighteen months. In the meantime, there will be uncertainty as to the precise area of easement land and hence delay in the selection of land to be given in exchange. Therefore, notwithstanding the time required for completion of the mapping, the parties agree to forthwith make every reasonable effort as provided under Article 3.7 to estimate the approximate quantum of land each Reserve will be entitled to receive in exchange for the easement land as provided herein. Each Band may then select such area of land as the estimates, with reasonable certainty, may allow. The total area of land to which each Band will be entitled shall be finally determined on completion of the requirements of Article 3.12.

ARTICLE 4
Land Use

4.1 Manitoba agrees to withhold from any other use and to set aside for each Band a substantial area of land (the "hold area") which is specifically defined on a map attached hereto and by legal descriptions, for a 5 year selection period ("selection period") beginning with the date of this Agreement. The said map(s) and legal descriptions are attached hereto as Schedule "H". A Band, or any of its Members may use any one or more parcels of the land within its hold area that the Band's Council may, by Band Council Resolution, select as desirable for the purpose of some justifiable use(s) that will contribute towards the viability of the community including the well-being of any of its members.

4.2 The selection period may be extended as necessary to ensure that the Band has a reasonable opportunity to investigate, consider, obtain funding for, and implement such developments and uses as may be feasible.

4.3 Manitoba undertakes to permit the Band or any resident(s) to have the exclusive use of each parcel of land thus selected, without fee of any kind, for as long as any resident continues prudently to use that parcel for the foregoing purpose. Such permits for the exclusive use of each

4.3 (contd.)
parcel shall be issued by Manitoba to the appropriate Band, and it shall be for the Band Council to regulate the use by individual residents to ensure its prudent use for the said purpose(s).

4.4 Delay in implementing development or use, by reason of failure to organize or obtain funding or the like, shall not be deemed to be failure to prudently use any parcel.

4.5 Within the selection period, whenever any such parcel ceases to be required, the Band Council may by Resolution, approved by Canada, so notify Manitoba and thereby relinquish the applicable permit. The Band Council shall thereafter be entitled to select and use any other parcel(s) of unallocated, unencumbered and unoccupied Crown land, of an area equal to that relinquished, within the boundaries established for the hold area, for justifiable uses as provided in Article 4.1 to Article 4.4. In order to avoid the undue restriction of the lands from which selection may be made, land set aside as a "Water Power Reserve" for the purpose of this Agreement shall not be deemed to be allocated, encumbered or occupied or required for public purposes by reason only of setting it aside as a "Water Power Reserve". Land in respect to which Manitoba has set aside, granted or assigned timber rights shall not be deemed to be allocated, encumbered, occupied or required for

4.5 (contd.)

public purposes by reason only of it being so set aside, granted or assigned, but land which is being actively logged at the date of this Agreement and land occupied by or used in connection with active logging camps shall be deemed to be allocated, encumbered or occupied.

4.6 Whenever it appears to Manitoba that any parcel selected within a hold area by a Band is no longer being used for the purposes or in the manner contemplated by this Agreement, Manitoba may serve notice upon the Band Council of Manitoba's intent to revoke the permit covering the parcel in question. In the absence of proper cause being shown to Manitoba, or of a submission of the matter to arbitration, within six months following the Band's receipt of that notice, Manitoba may cancel the permit in question, and such cancellation shall constitute relinquishment by the Band for the purposes of Article 4.5

ARTICLE 5
Navigation

5.1 Residents of the Reserves have a right to free and normal navigation of the waterways.

5.2 In order to give effect to the continued right to free and normal navigation by all persons, Manitoba agrees to remove obstructions to navigation created by the construction of the Footprint River and the Minago River causeways as soon as practical and in any event not later than two months after the date of ratification of this Agreement.

5.3 Manitoba and/or Hydro undertake to maximize the free and normal use of the navigable waters (as defined by the Navigable Waters Protection Act R.S.C. 1970 Chapter N-19) by all persons affected by the Project and in particular:

5.3.1 To ensure proper clearing of land in the Nelson House area and in the area between Footprint Lake and Three-point Lake in order that flooding will not interfere with existing navigation by the local population;

5.3.2 To ensure that, in the event that standing trees become a navigation problem now or in the future, clearing action is performed;

5.3.3. To remove debris of any nature which results from the actual construction or from the flooding of land or by diversion of waters in the total area encompassed by the overall Project.

5.4 In the event that any claim is submitted to the Arbitrator with respect to any adverse effect of the Project on navigation, the Arbitrator may, irrespective of any order he may make in respect of such claim, recommend to the Minister of Transport, Canada ("the Minister" in this Article) such measures as the Arbitrator deems may be appropriately required of Manitoba and/or Hydro by the Minister, for the purpose of ensuring free and normal navigation of the navigable waters.

5.5 Hydro shall comply with the conditions set out in all Approval Documents issued to Hydro by the Minister in relation to the Project as these pertain to actual or potential adverse effects on the communities or the residents thereof.

5.6 In order to give effect to the continued right to free and normal navigation by all persons, Hydro agrees to construct and maintain a portage facility at Notigi Dam which will enable users of the waterways to freely and safely proceed along the waterway now obstructed by the Notigi Dam.

ARTICLE 6
Quality of Water

6.1 Canada accepts responsibility to ensure the continuous availability of a potable water supply on each of the Reserves. The quality of the water shall meet the health and safety standards set by Canada to protect the public health.

6.2 Canada shall be reimbursed by Hydro to the extent of 50% of its reasonable expenditures incurred in providing potable water to any Reserve to the extent that such expenditures are attributable to adverse effects of the Project, or to the risk of such adverse effects. Any dispute may be referred to the Arbitrator for determination.

ARTICLE 7
Cemeteries and Objects of Cultural Significance

7.1 Hydro shall make available a sufficient sum of money and/or equipment and supplies necessary to protect the remaining cemeteries from flooding attributable to the Project.

7.2 The nature, quality and performance of the works required by this Article shall be the responsibility of the Band Council, subject only to the right of Hydro to ensure that such works are done in a good and husbandlike manner.

7.3 Hydro shall make every reasonable effort to preserve objects of cultural significance such as the Footprint and Chair at Nelson House and relocate them to such place within the Reserve as the Band Council may, by resolution, direct.

ARTICLE 8
Maps

8.1 Notwithstanding anything contained in this Agreement, Hydro undertakes to provide to each Band Council, as soon as possible, large scale maps of each community showing the affected lands, including the static inundation level of each Reserve, to a reasonable degree of accuracy.

8.2 Hydro shall provide a large scale map or maps to each Band Council indicating areas which may from time to time be rendered unsafe for travel in summer or winter as a result of the Project.

ARTICLE 9
Notice to Parties

9.1 Hydro shall give written notice to each Band Council and to the Regional Director General of Indian Affairs (Manitoba Region) regarding its plans and/or its intention to prepare plans for future developments affecting the Rat or Burntwood or the lower Churchill Rivers, or the Nelson River, or any tributary thereto or lake thereon, which may affect any one or more of the residents of the Reserves.

9.2 Hydro shall not make any decisions in respect to any such future developments unless and until a process of bona fide and meaningful consultation with the communities has taken place.

9.3 Under normal operating conditions, Hydro shall give written notice to the Band Council of any Band which may be affected, and to the Regional Director General of Indian Affairs (Manitoba Region) at least 2 weeks before making any operating changes of a nature that will affect the water levels and/or flows. In case of emergency, Hydro will give only such period of notice as is practical.

9.4 In addition to the notice required by Article 9.9, and in recognition of the fact some residents of the Reserves may be away from the Reserves following their traditional

9.4 (contd.)

pursuits, Hydro shall give notice by radio in both the English and Cree languages forthwith and continue so long as necessary (and in any event no less than 3 successive days) during the evening broadcast hours of the local and community radio stations and for greater certainty, on the Native Communications Broadcast from Thompson. Hydro shall also try to give such other reasonable forms of notice as the Bands may from time to time request.

9.5 Each Band Council shall advise Hydro in writing regarding the modes of communication to be used from time to time, and Hydro shall notify each Band Council in writing of the modes of communication that it finds practical to implement and agrees to follow.

9.6 Any notice to Manitoba shall be in writing and forwarded to the Deputy Minister, Department of Northern Affairs, Legislative Building, Winnipeg, Manitoba.

9.7 Any notice to Hydro shall be in writing and forwarded to The General Manager, Manitoba Hydro, P.O. Box 815, Winnipeg, Manitoba, R3C 2P4.

9.8 Any notice to the Bands shall be in writing and forwarded to an address to be furnished by the Bands following ratification of this Agreement.

9.9 Any notice to the Committee shall be in writing and forwarded to The Northern Flood Committee, Inc., Room 1010, 191 Lombard Avenue, Winnipeg, Manitoba R3B OX1.

9.10 Any notice to Canada shall be in writing and forwarded to Regional Director General, Department of Indian Affairs and Northern Development, 1100-275 Portage Avenue, Winnipeg, Manitoba, R3B 3A3.

9.11 The designation of a person to be notified or the address of such person may be changed at any time by similar notice given by the party requesting the change to each of the other parties.

ARTICLE 10
Minimization of Damage

10.1 Manitoba shall have regard to minimizing the destruction of wildlife by controlling the water levels and flows to the extent that it is practical to do so.

10.2 Without limitation, for the purpose of avoiding many adverse effects on the community of Cross Lake, it is contemplated that it may be appropriate for Hydro to construct a control structure at or near the outlet of Cross Lake and to operate this structure so as to prevent the occurrence of low water levels which adversely affect the community and to restore, to the extent practical, the natural pattern of seasonal fluctuation in lake levels.

ARTICLE 11
Accident, Disability and Life Insurance

11.1 The parties acknowledge that accidents may occur which cause damage to personal property and/or injury to persons or even death, as a direct or indirect result of the Project, and that a group life, disability and accident insurance policy to cover the residents of the communities may be a practical method of insuring monetary benefits to the accident victims and/or survivors.

11.2 The Arbitrator shall have authority to determine the practicability, and recommend on the advisability of obtaining such insurance and what risks shall be covered and in what amounts it shall be obtained and who shall bear the cost of the premiums.

ARTICLE 12
Community Infrastructure

12.1 Measures and works which are required for the protection, restoration or adjustment, in relation to the new water regime, of community infrastructure, shorelines and/or property of residents shall be undertaken at Hydro's expense. In all cases where it is practical to do so, such measures shall be carried out in conformity with the reasonable requirements of a specific physical development plan adopted by resolution of a Band Council.

12.2 If, by reason of urgency, interim measures or works have been or are implemented, these shall be subject to modification at Hydro's expense, to conform with the requirements of a physical development plan, when adopted, if the said plan identifies detrimental effects of the interim measure.

12.3 Canada and Manitoba shall offer to the Band the opportunity and any assistance or training necessary, to have all such measures or works carried out by community residents, to the extent that it is practical to do so.

12.4 Following effective prior consultation with the Band, such measures or works shall be designed and implemented, to the extent practical, to ensure the safety of the residents, to facilitate the continuance of traditional activities and to conform to the aesthetic values of the residents.

12.5 Without limitation, it is contemplated that measures may be required:

12.5.1 To protect shorelines adjacent to the community from erosion,

12.5.2 To restore shorelines adjacent to the community which slump or erode,

12.5.3 To construct new beaches or locations suitable for swimming,

12.5.4 To replace docks,

12.5.5 To clear shorelines,

12.5.6 To protect and/or relocate roads and houses and other structures,

12.5.7 To provide alternate recreational opportunities or facilities,

12.5.8 To provide alternate transportation facilities, such as roads or barges,

where these are or may be adversely affected by the Project.

12.6 The reasonable cost of maintenance, depreciation, operation, repair and replacement of any remedial, mitigatory or other permanent works on a Reserve, undertaken or funded by Hydro and/or Manitoba by reason of the Project, shall be capitalized. A grant of such capital sum shall be paid by the said party or parties to the Band on the condition that it be invested in a chartered bank or credit union and that the income be applied for the said purposes, and that the Band shall account annually to the appropriate party regarding the amounts expended and the balance remaining in the capital account. It is acknowledged by the said parties that estimates of such costs are uncertain. The parties shall review annually the adequacy of the capital amount to ensure that the reasonable costs can be met. Any dispute relating to the adequacy of the capital amount may be referred to the Arbitrator for determination.

ARTICLE 13
Additional Clearing

13.1 In addition to clearing of shorelines which may be required pursuant to Article 5 and Article 12 of this Agreement, it is contemplated that clearing of certain areas in the vicinity of a community may be required where standing trees are, or are likely to be inundated or damaged by the modified water regime so as to adversely affect the traditional or intended use of the shoreline by community residents.

ARTICLE 14
Policy Matters

14.1 Notwithstanding any provisions of this Agreement to the contrary, the parties agree that the provisions of Articles 15, 16, 17 and 18 involve government policy and that it is inappropriate to empower an Arbitrator to order implementation or to inhibit government from changing its policy; and further that it is in reliance upon the timely implementation of the provisions of these Articles that the parties are entering into this Agreement and referring same for ratification pursuant to the provisions of Article 2.3.

14.2 THEREFORE IT IS AGREED that in the event that any provisions of Articles 15, 16, 17 and 18, or any of them, are not implemented, or only implemented in part, or if implemented are altered at some time in the future, or where a dispute arises concerning the implementation or the timeliness thereof, then the Arbitrator is given authority to fix damages.

14.3 It is acknowledged that the policies set forth in Articles 15, 16, 17 and 18 have implications that require clarification to ensure greater certainty. Accordingly, the Arbitrator may award damages provided for in this Article only to the extent that the full and timely implementation of any policy contemplated by the above-mentioned Articles constitutes compensation (be it monetary compensation, mitigatory measure or remedial measure) in whole or in part, of any kind, to any person, arising directly or indirectly out of, or attributable to, the Project; furthermore, if a claim or matter in dispute arises by virtue of any subsequent change in such policy, in whole or in part, then the quantum of damages awarded shall be based on the diminution in compensation, if any, arising out of such a change.

ARTICLE 15
Wildlife Resources Policy

15.1 Manitoba agrees to grant to the residents of the Reserves first priority to all the wildlife resources within their Trapline Zones, and in the rivers and lakes which were traditionally available to and used by them as a source of food supply, income-in-kind and income ("the Resource Area").

15.2 Because the Project has made and may hereafter make certain of the Resource Areas inaccessible for the foregoing purposes or has adversely affected the Resource Area to an undetermined extent, Manitoba undertakes to use its best efforts to make available new alternate Resource Areas to the extent that it is practical to do so.

15.3 Manitoba has encouraged and will continue to encourage the residents of Reserves to achieve the maximum degree of self sustenance in food supplies and to maximize the opportunity to earn income and income-in-kind from the wildlife resources and will therefore prohibit hunting, trapping and fishing in the Resource Area by any non-resident of the Reserve who does not have a present right at law to carry on these activities in the Resource Area provided that:

15.3.1 A controlled hunting, trapping, and/or fishing season may be permitted by reason of an overabundance of a

15.3.1 (contd.)
species, and it is in the interests of the perpetuation of such overabundant species to permit such a controlled season, and

15.3.2 Such controlled season is established following meaningful consultation with the appropriate representatives or body representing the interests of the residents affected.

15.4 Notwithstanding anything herein contained it is recognized that individuals who are permanently resident in or near a Resource Area may habitually hunt, trap and/or fish within the Resource Area and would expect that both themselves and their progeny should continue to be able to enjoy these benefits from the Resource Area, and therefore any prohibition against hunting, trapping and/or fishing within the Resource Area shall take into account these interests.

15.5 For the purpose of protecting the wildlife resources in the Resource Area, Manitoba agrees to establish and to pay the prior approved expenses of a Wildlife Advisory and Planning Board. The Board may consider and recommend on all matters affecting wildlife within the Resource Area including the following:

15.5.1 Monitoring the wildlife resources in the Resource Area;

15.5.2 Advising as to the overabundance of any species;

15.5.3 Advising as to the maximum kill of any overabundant species that may be permitted within the Resource Area;

15.5.4 Encouraging the annual harvest of wildlife resources in the Resource Area, to an extent and in a manner consistent with the perpetuation of adequate numbers of the species involved; and

15.5.5 Formulating and recommending the implementation of such works and programs as will be consistent with the protection and perpetuation of the wildlife in the Resource Area or with the continuation of harvesting of wildlife resources.

15.6 Manitoba agrees to appoint to the Wildlife Advisory and Planning Board sufficient residents of the Reserves to ensure that they have majority representation, and to this end shall solicit and consider recommendations by the residents of Reserves on the appointments.

15.7 Manitoba agrees to provide training opportunities for residents of each Reserve to enable them to become qualified

15.7 (contd.)
for employment as Conservation Officers, responsible for enforcing policies in effect from time to time concerning wildlife management in the Resource Area and Manitoba further agrees to appoint such qualified residents to meet the needs of enforcement.

15.8 The parties agree to facilitate and encourage the functions served by the community traplines, by reason of their contribution to the community in the form of:

15.8.1 A food supply and income supplement for elderly or infirm residents;

15.8.2 The opportunity for younger residents to learn and elder residents to teach the skills pertaining to the harvesting of wildlife resources, and

15.8.3 An opportunity for recreational activities.

15.9 Manitoba and/or Hydro agree to negotiate with appropriate representatives of each community to formulate and implement a program agreed upon, to achieve this objective.

ARTICLE 16
Planning Policy

16.1 Canada and Manitoba will co-operate to provide the resources required to enable each of the five communities represented by the Committee to formulate a comprehensive Community Development Plan and to coordinate such Plan with government plans as provided for in Schedule "E" attached hereto and forming part of this Agreement.

16.2 Such Plan shall be prepared and coordinated with a view to enabling the communities to provide continued opportunity to carry on their traditional lifestyles to the maximum extent practical, to deal with social and economic problems that may be identified, to take advantage of opportunities that may be identified, and to recommend the practical means that may be available for implementation of the Plans formulated.

16.3 Canada agrees, within the limits of the community planning budget of the Manitoba Regional Office of Indian Affairs and Northern Development, to make professional assistance and services available to the five Bands for the objective of completing Community Development Plans for the Reserves by March 31, 1981.

16.4 Canada and Manitoba undertake to consider and implement any recommendation they jointly or severally deem to

16.4 (contd.)
be practical by any means, including the use of the existing Northlands Agreement and/or future like agreements intended to contribute to the viability of a community.

16.5 The principles reflecting the objectives and the methods to be used in achieving those objectives as outlined in the following documents:

16.5.1 Manitoba Order-in-Council dated 5th day of February, 1975 signed by Premier Schreyer,

16.5.2 The Canada-Manitoba Interim Subsidiary Agreement referred to therein and attached thereto,

16.5.3 The General Development Agreement between the said Governments dated 5th day of June, 1975,

16.5.4 The Strategy for Development of Northern Manitoba,

all of which relate to the Canada-Manitoba Northlands Agreement, and shall be followed in the development, co-ordination and implementation of Community Development Plans affecting the subject Reserves.

ARTICLE 17
Environmental Impact Policy

17.1 Hydro and Canada and Manitoba, severally and jointly, undertake to implement such recommendations of the Lake Winnipeg, Churchill and Nelson Rivers Study Board Report which affect the communities and which fall within their respective or joint jurisdictions.

17.2 Manitoba and Canada shall each forthwith identify those recommendations that are within their respective jurisdictions as well as those that will be implemented jointly and shall report the conclusions reached to the Band Councils.

17.3 Hydro and Manitoba and Canada annually, for as long as may be necessary, will each submit to each Band Council affected, a report setting out:

17.3.1 The recommendations being implemented;

17.3.2 The projected date of commencement of implementation of those recommendations to be implemented; and

17.3.3 The recommendations that will not be implemented and the reasons for that decision.

17.4 Each Band Council shall be informed regarding agreements made between Manitoba and Canada arising out of, or in relation to, joint undertakings contemplated by Article 17.2. Any such agreement shall be consistent with this Agreement.

17.5 In particular but without limitation, monitoring of adverse effects of the Project pursuant to the Lake Winnipeg, Churchill and Nelson Rivers Study Board recommendations shall be planned and implemented so as to provide such information as may be necessary to give effect to this Agreement.

ARTICLE 18
Miscellaneous Policy

18.1 Canada and Manitoba are jointly concerned that the Project achieve the greatest overall benefit possible without unduly prejudicing the present potential development of the affected water bodies for other resource uses and users;

18.2 Canada and Manitoba recognize that the Project is intended to benefit all citizens of Canada, and most particularly of Manitoba, on the one hand, and that the resource users have been and may continue to be adversely affected on the other hand, and that it is in the public interest to ensure that any damage to the interests, opportunities, lifestyles and assets of those adversely affected be compensated appropriately and justly.

18.3 Canada and Manitoba, to the extent it is practical to do so will seek to avoid creating inequities within any settlement that would adversely affect the relationship between a community and other residents of a settlement.

18.4 The Project affects the activities and traditional lifestyles of the communities and anxieties have developed regarding the viability of the communities, the free and safe use of the waterways, and the continued opportunity to carry on traditional activities, particularly as they relate to the

18.4 (contd.)
wildlife resources as a source of food, income-in-kind and income. These anxieties may be allayed by Hydro, Manitoba and Canada using their best efforts to ensure that potential benefits of the Project are made available in a practical manner to the residents of each Reserve.

18.5 The parties agree that it is also desirable to encourage, and to provide opportunities for residents of the Reserves, to the extent they may wish, to participate in the Project as a potential beneficial development in their midst, and to create a climate wherein it will be seen as such. Therefore it is in the public interest to employ, to the maximum possible extent, residents of the subject Reserves in all works and operations related to the Project and to implement forthwith practical measures necessary to achieve that objective, including opportunities for education, training, and particularly on-the-job training of any able and willing resident. Manitoba shall report every three months to each Band regarding the practical steps implemented and the results obtained in achieving this objective. The Manitoba report shall include steps taken and results achieved by Hydro.

ARTICLE 19
Registered Trapline Program and Fishing Program

19.1 The parties agree that Hydro's Registered Trapline Program ("the Trapline Program") dated November 7th, 1975 attached hereto as Schedule "D" is an interim program to provide income assistance and support payments and other benefits to trappers whose trapping activities have been, or will be affected, directly or indirectly, by the Project. The program was implemented on the clear understanding and condition that all trappers receive benefits under the program on a "without prejudice" basis. That is, participation in the program did not and does not limit, in any way whatsoever, any rights a trapper has or may have as a result of any adverse effects on trapping activities arising from the Project. It was further agreed that any payments or benefits received by a trapper under the Trapline Program would be taken into account in determining additional payments or benefits if any to be provided to any trapper pursuant to this Agreement.

19.2 The Trapline Program shall be reviewed and if necessary amended to provide for equitable compensation in respect of all adverse effects on trapping activities within the Resource Areas, arising directly or indirectly from the Project and to encourage the trappers in each community to continue to trap, by appropriate means including income assistance and support payments and trapline rehabilitation and improvement.

19.3 The parties agree that the Trapline Program and any amendments thereto shall provide for retroactive compensation to be paid in respect of any claim, compensated under the Trapline Program before amendment, where the application of the amended program would have provided for greater compensation.

19.4 The parties agree to negotiate, and Manitoba and/or Hydro agree to fund and implement, a program to provide for equitable compensation of all adverse effects on fishing activities within the Resource Areas, arising directly or indirectly from the Project, and to encourage the fishermen in each community to continue to fish, by appropriate means including income assistance and support payments and fishing rehabilitation and improvement and to provide for retroactive payment for adverse effects of the Project prior to the date of this Agreement.

ARTICLE 20
Community Liaison Committee

20.1 Hydro and Manitoba agree to establish a Committee to be known as the "Community Liaison Committee" which shall consist of two representatives from each Band, and two representatives from each of Hydro and Manitoba.

20.2 The purposes and objects of the Community Liaison Committee shall include:

20.2.1 The determination of ways and means of interpreting the operations and plans of Hydro to the communities in terms understandable to the residents;

20.2.2 The provision of access by the communities to information from Hydro in respect to current operations and future plans of Hydro; and

20.2.3 The development of a specific action program to achieve these objectives.

20.3 It is contemplated that, without limiting in any way whatsoever the scope of the activities that may be considered in formulating such an action program, Hydro and Manitoba will take deliberate measures to facilitate the achievement of the purposes of this Article such as:

20.3.1 Local workshops;

20.3.2 Local liaison officers;

20.3.3 Radio, television, film and any other appropriate medium; and

20.3.4 Publications in native languages.

20.4 The parties acknowledge that the effective implementation of this Article requires the complete support of all parties and the Bands, and Hydro agrees to convene the initial organizational meeting of the Community Liaison Committee within one month of ratification of this Agreement, at which meeting the frequency of meetings, the chairmanship and other procedural and operational matters shall be determined by the Committee.

ARTICLE 21
Employment Task Force

21.1 The parties agree to establish within three months of ratification of this Agreement, an Employment Task Force consisting of a representative of each Band, the Committee, Hydro, Manitoba and Canada together with such resource people as may be considered necessary for the purpose of considering and advising Manitoba, Hydro and Canada in respect to the achievement of the objectives as set forth in Article 18.5.

ARTICLE 22
Remedial Works

22.1 Without limiting the nature and extent of the remedial works and measures ("works") contemplated by this Agreement, Hydro agrees that it shall make available the funds which it estimates to be necessary for the engineering and construction of works at Nelson House and Cross Lake to the Department of Indian Affairs and Northern Development in trust for and on behalf of the Development Corporation referred to in the Memorandum of Understanding initialled by the parties on July 31, 1977 ("Corporation") for the account of the Band for which the works are to be directed. Subject to the provisions of this Article, the Band and the Corporation shall determine such organization as they may consider appropriate for the utilization of the funds and shall determine the manner and time for the construction, if at all, of the works.

22.2 In respect to the remedial works contemplated by the funds made available, the Bands, the Corporation and Canada shall release and save harmless Hydro and Manitoba, and the Bands shall release and save harmless Canada, from any responsibility for construction of and liability with respect to such works. Hydro shall indicate its views to the Corporation and the Band as to the significance of the construction of such works and the appropriate time for their construction.

22.3 A fund shall be established as contemplated by Article 12.6 in respect to the remedial works provided

22.3 (contd.)

herein, for the works at Nelson House and Cross Lake, and a letter outlining Hydro's proposal as discussed will be forthcoming to the parties and the substance thereof incorporated herein.

22.4 In furtherance hereof it is agreed that:

22.4.1 Certain remedial works identified on Schedule "F " attached hereto are essential engineering requirements for the operation of the system and Hydro shall complete these works involving to the maximum possible degree the residents of the Reserves.

22.4.2 In respect to the remaining remedial works identified on Schedule " G" attached hereto, Hydro shall make available to the Department of Indian Affairs and Northern Development in trust for and on behalf of the Corporation the funding as set forth in Schedule " G" attached hereto, and the Corporation and the appropriate Band shall undertake at their discretion such works at such time and in such fashion as they may determine to be appropriate.

22.4.3 In respect to such further and other remedial works pursuant to this Agreement as may be necessary in any of the five Reserves, unless such remedial works are essential requirements for the operation of Hydro's power

22.4.3 (contd.)

system, Hydro shall make available necessary funding in the same manner and on the same terms as set forth in Article 22.4.2.

22.4.4 Hydro shall make available at the request of the Band and/or the Corporation either such engineering advice and assistance as may be necessary to complete the works to proper engineering and construction standards or alternatively provide in the same manner and on the same terms as provided in Article 22.4.2 the funds necessary to retain such engineering assistance independently.

22.4.5 Any dispute arising as to whether or not other remedial works may be necessary or as to the accuracy of the cost estimates, or as to whether or not the work is an essential engineering requirement, shall be referred to the Arbitrator for determination.

ARTICLE 23
Other Matters

23.1 No community shall be compelled to relocate in order to escape the impacts of the Project. If any community or portion thereof chooses to relocate, their entitlements pursuant to this Agreement shall not be diminished by the mere fact of such relocation.

23.2 The onus shall be on Hydro to establish that the Projects did not cause nor contribute to an adverse effect, where any claim arises by virtue of an actual or purported adverse effect of the Project.

23.3 Disputes between Canada and Manitoba and/or Hydro or between any two of them as to the apportionment of liability or as to the apportionment of costs attributable to the effects of the Project shall not be a cause for the delay of any programs or projects where such programs or projects are ordered pursuant to this Agreement or arise or have arisen as a result of government policy.

ARTICLE 24
Arbitration

24.1 A person to be agreed upon by all the parties shall be appointed as a single Arbitrator to adjudicate upon claims and matters referred to herein, hereinafter referred to as the "Arbitrator".

24.2 An Arbitrator who dies or is unable or unwilling to act for any reason whatsoever (a "former Arbitrator") shall be replaced by a successor Arbitrator (also hereinafter referred to as the "Arbitrator") in the following manner:

24.2.1 Each party shall submit the names, addresses and occupations of five individuals to the other parties any one of whom may be selected by the other. Any one of the individuals so submitted who is unanimously selected, shall be the successor Arbitrator. If more than one individual is selected unanimously then any one of them who is able and willing to act may be called upon to hear any of the matters in dispute in respect to any matter arising out of this Agreement;

24.2.2 If the parties do not unanimously agree as to the individual to be named the successor Arbitrator then the individual who receives the support of the majority of the parties, shall be appointed;

24.2.3 If no agreement can be reached by the parties then the Manitoba Court of Appeal shall appoint the successor Arbitrator.

24.3 In the event that a successor Arbitrator is appointed, any orders made by any former Arbitrator shall remain valid and binding and shall, if necessary, be implemented by the successor Arbitrator as if they were the orders of the successor Arbitrator.

24.4 The Arbitrator may be removed from his office if any three of Manitoba, Hydro, the Committee (or a single successor of the Committee) and Canada desire a change of Arbitrator for any reason whatsoever. In that event, the parties shall appoint a successor Arbitrator as provided in Article 24.2. Notwithstanding anything to the contrary contained in this Agreement, in the event that the Committee has ceased to represent the Bands, then the concurrence in writing of any three Chiefs of the Bands shall be substituted for the concurrence of the Committee.

24.5 Except where otherwise provided, "person" where used in this Article shall mean any person previously defined in Article 1.12 as well as any of the parties hereto.

24.6 It is the intention of the parties to this Agreement that the Arbitrator shall have broad authority and power to make awards capable of implementation and to fashion an appropriate and just remedy in respect of any and all

24.6 (contd.)

adverse effects of the Project on any person and that such remedy shall at a minimum place that person in no worse position in that respect than he would have been in the absence of the adverse effect provided that any recommendation which involves a mitigatory and/or remedial measure to be implemented by any party shall be dealt with as provided in Article 24.25 and Article 24.26

24.7 The Arbitrator shall have the power and authority to hear any claim or matter in dispute submitted by any person and he shall determine such claim or matter in dispute if the claim or matter in dispute arises directly or indirectly out of, or is attributable to the Project, or arises by reason of a failure to comply with or give effect to any provision contained in this Agreement.

24.8 Because mitigatory and/or remedial measures are more likely to have a lasting beneficial effect on the viability of a community and/or on individual residents than monetary compensation, such measures shall be preferred and only where mitigatory and/or remedial measures are not feasible or fail in effectiveness shall monetary compensation be ordered in lieu thereof in respect of any adverse effect.

24.9 The Arbitrator shall have the right to forthwith order interim compensation prior to the determination of any issue or matter in totality.

24.10 In dealing with claims or matters in dispute which are submitted to the Arbitrator and in particular in assessing compensation or recommending remedial action or the like, the Arbitrator shall deal with such matters on the basis that the liability to compensate any person adversely affected by the Project is the sole and exclusive responsibility of Hydro and any recommendation for remedial action or the like is the responsibility of Hydro, Manitoba or Canada or any one or more of them.

24.11 Hydro shall have the right to settle individual claims with any person. Hydro shall advise the Committee and the appropriate Band Council of all such settlements that have been made to date ("prior settlements") and shall thereafter advise the Committee and the appropriate Band Council on a quarterly basis of all such settlements that may hereafter be made. It is understood and agreed that all prior settlements shall be reviewable by the Arbitrator within four years of the date of this Agreement at the request of any person and any such settlement made subsequent to the date of this Agreement shall be reviewable within four years after the date of such settlement and in either eventuality the said Arbitrator shall have the power to award additional compensation, including interest. No review of such claims shall be made after the aforesaid times have expired and the settlement shall then be deemed to be final.

24.12 It is understood and agreed between the parties hereto that any specific issue for which compensation or redress or remedial measure or the like is claimed or requested must be submitted in writing to the Arbitrator within four years of the date of the alleged cause of claim becoming evident to the claimant or five years from the date of this Agreement, whichever is later, otherwise the right of claim shall expire.

24.13 The powers and procedures set forth in the Arbitration Act of Manitoba RSM 1970 Chapter A 120 shall govern in all references to arbitration except where the said powers and procedures are contrary to the provisions herein set forth in which case the powers and procedures herein set forth shall govern, or where the Arbitrator deems such procedures to be inappropriate or inconsistent with his duty to arrive at a just award or order, in which case the Arbitrator shall give written reasons for deciding to vary the procedure in connection with any case before him.

24.14 Any person may have a claim or matter or dispute dealt with under the terms of this Agreement provided however that no claim or matter or dispute on behalf of any person shall be made by one of the parties hereto unless the consent in writing of the person to the initiation of such proceeding is submitted to the Arbitrator by such party.

24.15 Any person who wishes to have a settlement reviewed or a claim or matter or dispute decided by the Arbitrator may do so in person or be represented by counsel or by counsel of any of the parties hereto.

24.16 The Arbitrator may establish his own rules of conduct and may rule upon the admissibility of evidence. It is agreed however that evidence may be presented by affidavit and the evidence of consultants or experts may be presented without the author being physically present and hearsay evidence may be received and in all such cases it shall be for the Arbitrator to determine the weight to be placed upon such evidence.

24.17 Proceedings to bring any claim or matter or dispute before the Arbitrator may be initiated before any actual damage or dislocation has occurred.

24.18 Individual occupiers or users are entitled to claim compensation notwithstanding compensation to communities for loss of reserve land.

24.19 The parties hereto may proceed to arbitration by way of a statement of agreed facts.

24.20 Hydro and Manitoba and Canada shall provide, for the use of the Arbitrator and the Committee, all studies

24.20 (contd.)

and reports which they possess or can, by their best efforts obtain, or which come into their possession, which touch upon the subject of the effects of the Project or on the property or lifestyle of any residents of a Reserve. Where such information is available, and at the request of the Committee, the said parties shall use their best efforts to provide also the background technical data and working papers upon which such studies or reports are based.

24.21 The Arbitrator may retain the assistance of such professionals or consultants as he may require in order to advise him on matters, without limitation, of accounting, law, engineering, or of physical, social or economic impact consequences, as may in the sole discretion of the Arbitrator be necessary in order to properly consider the evidence presented. It is understood and agreed, however, that the parties to any claim or dispute brought before the Arbitrator for determination shall have the primary responsibility for presenting evidence to support their positions, and the power of the Arbitrator to retain assistance of professionals or consultants shall be exercised only where the Arbitrator believes further advice or information would be necessary or desirable to formulate and reach a sound and fair decision, and in the eventuality that the said Arbitrator exercises his prerogative to call professional or consultant evidence, the parties hereto shall have the right to cross-examine on such evidence.

24.22 In the event that the Arbitrator exercises any of the powers aforementioned for the purpose of obtaining assistance, the person or his authorized representatives shall have the right to cross-examine any individual from whom such information was obtained by the Arbitrator and shall have the right to peruse any documentary evidence received by him to cross-examine thereon.

24.23 The Arbitrator in making an order shall inter alia:

24.23.1 Determine whether there is a liability under this Agreement;

24.23.2 Designate the party liable and, if more than one, apportion the liability;

24.23.3 Determine the appropriate remedy; and

24.23.4 If the liability is not to be compensated in a monetary form forthwith, determine the time within which the other compensation in lieu thereof shall be completed by each party. Any unreasonable delay in the implementation of the order shall be dealt with as provided by Article 24.26.

24.24 Without restricting the plenary power of the Arbitrator to fashion an appropriate and just remedy as provided in Article 24.6, the Arbitrator may:

24.24.1 Direct that financial payments be made, including dislocation and/or relocation allowances where appropriate;

24.24.2 Recommend that mitigatory or remedial work be undertaken by Hydro and/or Manitoba and/or Canada to reduce or eliminate potential damages which otherwise would likely occur;

24.24.3 Recommend that Hydro, and/or Manitoba, and/or Canada, acquire and provide real or personal property and make it available to the claimants, as compensation in whole or in part, or in order to reduce or eliminate potential damage in whole or in part;

24.24.4 Recommend that Hydro, and/or Manitoba, and/or Canada provide employment opportunities where this is a feasible method of remedy or compensation;

24.24.5 Recommend that Hydro, and/or Manitoba, and/or Canada undertake certain programs and/or public works projects for the benefit of communities which are adversely affected;

24.24.6 Recommend that a development corporation be established by Manitoba and/or Canada and funded by Hydro and/or Manitoba and/or Canada to enable such corporation to attain its specified objects;

24.24.7 Recommend that Hydro and/or Manitoba, and/or Canada pay the whole or part of the costs of certain municipal services where such direction is a suitable method of compensating a community;

24.24.8 Recommend that Hydro, Manitoba and Canada severally and jointly implement a practical program to provide an effective opportunity for residents of the communities to be employed in both the construction and the operation of the Project and also in the implementation of any works and measures undertaken pursuant to this Agreement;

24.24.9 Direct that financial payments be made and/or make any, or any further order, as he may deem to be appropriate in respect of a failure to comply with or to give effect to any provisions of this Agreement or any matter arising out of this Agreement.

24.25 As soon as possible or in any event, not later than one year after the Arbitrator makes a recommendation to Hydro, Manitoba or Canada, such party shall advise the Arbitrator:

24.25.1 Whether the recommendation will be implemented in whole or in part;

24.25.2 How the recommendation is to be implemented; and

24.25.3 The time within which such implementation will be completed.

24.26 Where such party advises that a recommendation will not be implemented, or will be implemented only in part, or where a dispute arises by virtue of the time contemplated for implementation of the recommendation, the issue may be remitted back to the Arbitrator by the party initiating arbitration procedures and the Arbitrator may fix damages in lieu of implementation or of full implementation or of implementation on a timely basis. A recommendation made to Canada can only be converted into monetary damages where the recommendation is with regard to Canada's obligations under this Agreement.

24.27 In fashioning a remedy in respect of any claim, the Arbitrator shall be entitled to take notice of any relevant statute and relevant regulations thereunder, and of any relevant government policies and programs established from time to time and he may refer to the preamble to give effect to the intention of the parties in determining the meaning or application of this Agreement.

24.28 Specific provisions for reference of certain matters to arbitration shall not be deemed to limit the power of the Arbitrator to hear and decide any claim in respect of any matter arising out of this Agreement.

24.29 The fact that a remedy may create discrimination or divisions within any settlement that might adversely affect the relationships between a community and other

24.29 (contd.)
residents of a settlement shall not be taken into account by the Arbitrator in determining an appropriate and just settlement of any claim or order resulting from any claim.

24.30 In fashioning a remedy in respect of any claim, the Arbitrator shall be entitled to take notice of any Plan prepared pursuant to Article 16 hereof, and may hear evidence for the purpose of considering and deciding the degree to which any order may or should be coordinated with any other relevant consideration, and especially for the purpose of ensuring the maximum effectiveness of any order.

24.31 The Arbitrator may direct that Hydro or Manitoba or Canada shall, within their respective areas of responsibility, monitor, record or report such information respecting the adverse effects of the Project or the effectiveness of any measure undertaken pursuant to this Agreement by any of the said parties, as may, in the opinion of the Arbitrator, be necessary or desirable to assist him in formulating decisions or any decision.

24.32 Every award or order of the Arbitrator shall be in writing and shall set forth reasons.

24.33 Any party to a submission to arbitration may apply in writing to the Arbitrator, within thirty days after

24.33 (contd.)
the receipt of an award or order, to amend or vary it in respect of anything that was raised before the Arbitrator or in the application or interpretation of the said award or order.

24.34 There shall be no appeal from the order or award of the Arbitrator, except as to an issue of law or jurisdiction, in which case the issue shall be presented as a stated case to the Manitoba Court of Appeal for determination, and there shall be no further appeal therefrom.

24.35 The Arbitrator shall have the discretion to make an order that counsel of the claimant's choice be made available at the expense of one or more of the parties to assist the claimant in preparing and advancing his claim, and to award other costs on any reference that is brought before him for determination, subject to the following provisions:

24.35.1 The Arbitrator may award costs in favour of any person as he deems may be fair and equitable in the circumstances;

24.35.2 Any award of costs may include legal fees or the cost of consultants or experts retained in order to deal with the dispute brought to arbitration to the extent such fees and costs are reasonable;

24.35.3 Any award of costs may include travelling allowance, and ancillary expenses for the parties to a dispute, their legal counsel, consultants or necessary witnesses.

24.36 The costs of arbitration, including the reasonable expenses incurred for secretarial assistance, cost of court reporters, travelling expenses and reasonable fees paid to consultants who have been specifically retained by the Arbitrator, shall be determined by the Arbitrator. The Arbitrator shall be paid a fee which fee shall be fixed by the parties on appointment.

24.37 The provisions respecting arbitration and the Arbitrator in this Agreement shall remain in force and be binding upon the parties hereto for as long as any party shall deem it necessary that an Arbitrator hear and determine any of the matters referred to herein.

ARTICLE 25
Duration and Successors

25.1 This Agreement, with the exception of the provisions of Article 24, shall remain in force and be binding upon the parties hereto, for the lifetime of the Project, including any substantially similar redevelopment thereof. It is understood and agreed that this provision shall remain in force and be binding upon the successor to any party hereto, and upon the heirs, executors, and successors of any claimant.

25.2 Wherever this Agreement gives the Committee any rights, powers or obligations as a party, in the event that the Committee ceases to represent the Bands, then such rights, powers and obligations of the Committee shall devolve on the Bands or on any new entity designated by them as their representative.

IN WITNESS WHEREOF the Honourable Donald W. Craik, Minister Responsible for the Administration of The Manitoba Hydro Act has hereunto set his hand on behalf of Manitoba; The Manitoba Hydro-Electric Board has hereunto affixed its corporate seal, attested by the hands of its proper officers in that behalf; The Northern Flood Committee, Inc. has affixed its corporate seal, attested by the hands of its proper officers in that behalf; and the Minister of Indian Affairs and Northern Development has hereunto set his hand on behalf of Canada the day and year first above written.

In the presence of:

"D. Leitch"

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA

Per: "D. W. Craik"
The Honourable Donald W. Craik,
Minister Responsible for the
Administration of The Manitoba
Hydro Act

THE MANITOBA HYDRO-ELECTRIC BOARD

Per: "L. A. Bateman"
Chairman and Chief Executive Officer

"J. F. Funnell"
General Counsel and Secretary

THE NORTHERN FLOOD COMMITTEE, INC.

Per: "W. Monias"

"Nelson Linklater"

"M. Scribe"

"Sam Garson (as authorized Representative of Kenneth Wastesicoot)"

THE NORTHERN FLOOD COMMITTEE, INC.

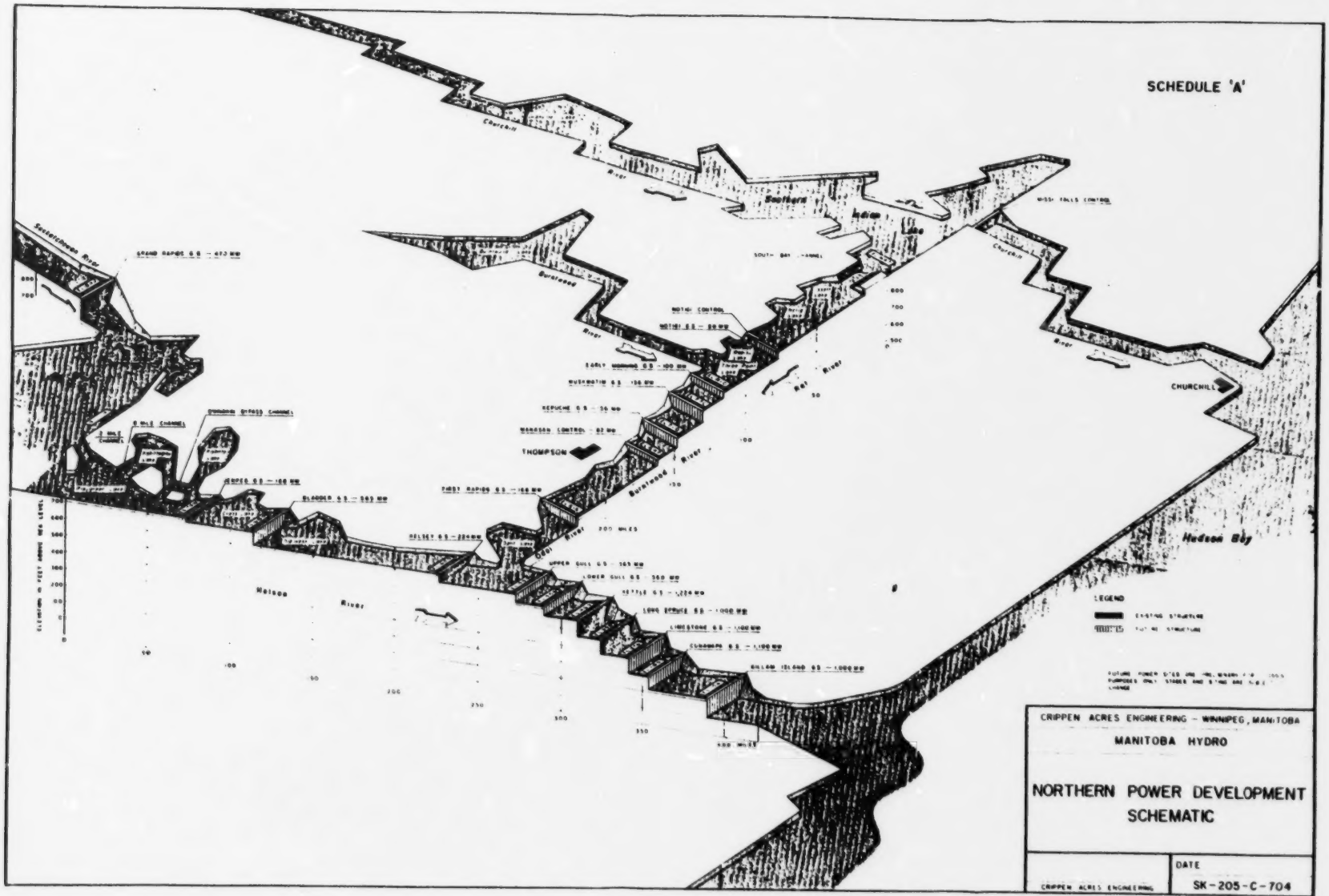
Per "William Beardy (as authorized Representative of Thomas Beardy)"

In the presence of:

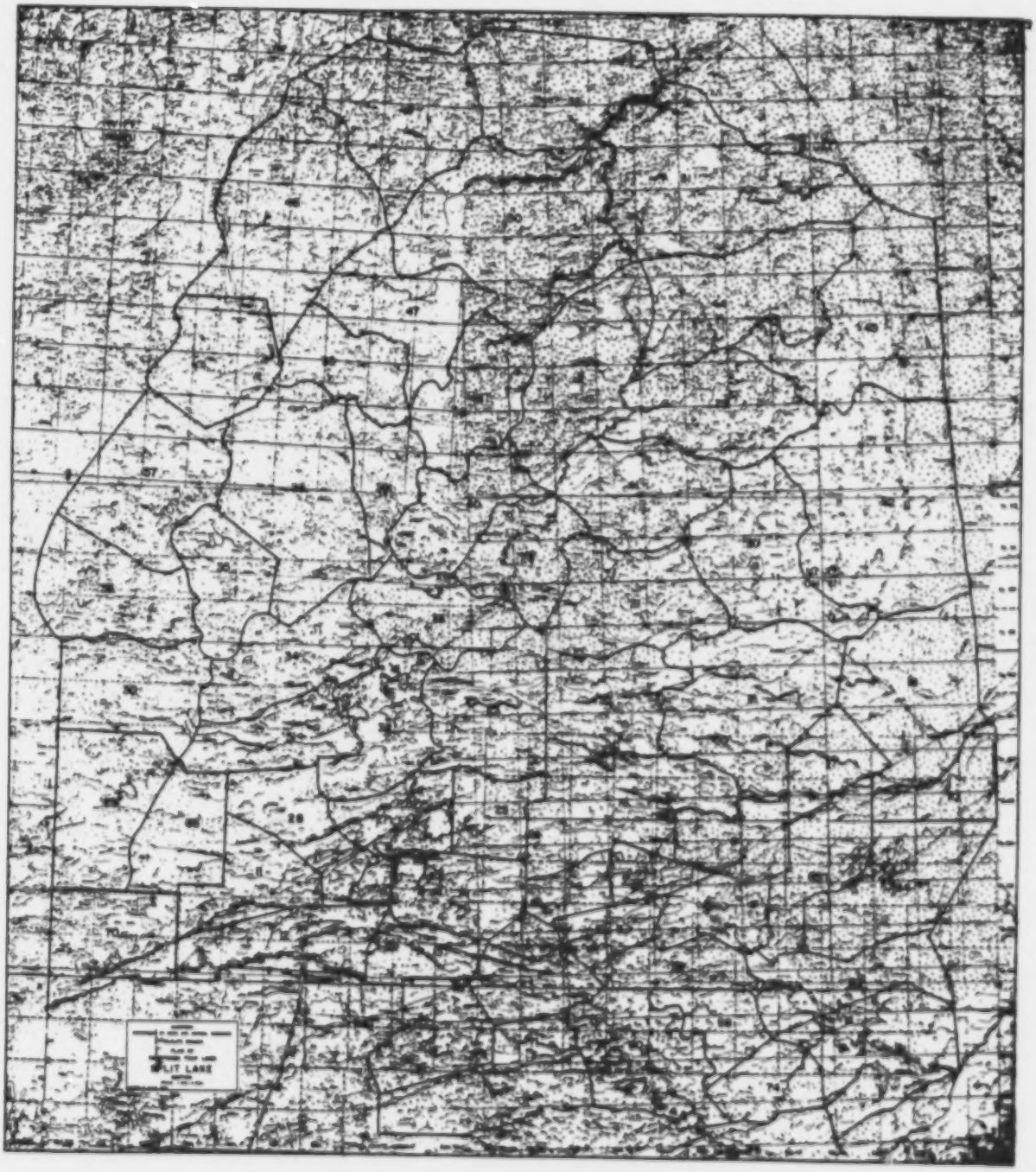
"Sharin-Lee Smith"

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

"J. B. Hartley for & on behalf of"
The Honourable J. Hugh Faulkner
Minister of Indian Affairs and
Northern Development


SCHEDULE 'A'
Churchill River
Southern Indian Lake
Burntwood River
Nelson River
Hudson Bay
THOMPSON
CHURCHILL
LEGEND
CRIPPEN ACRES ENGINEERING - WINNIPEG, MANITOBA
MANITOBA HYDRO
NORTHERN POWER DEVELOPMENT
SCHEMATIC
DATE
SK-205-C-704
0188-E-0448

SCHEDULE "B"



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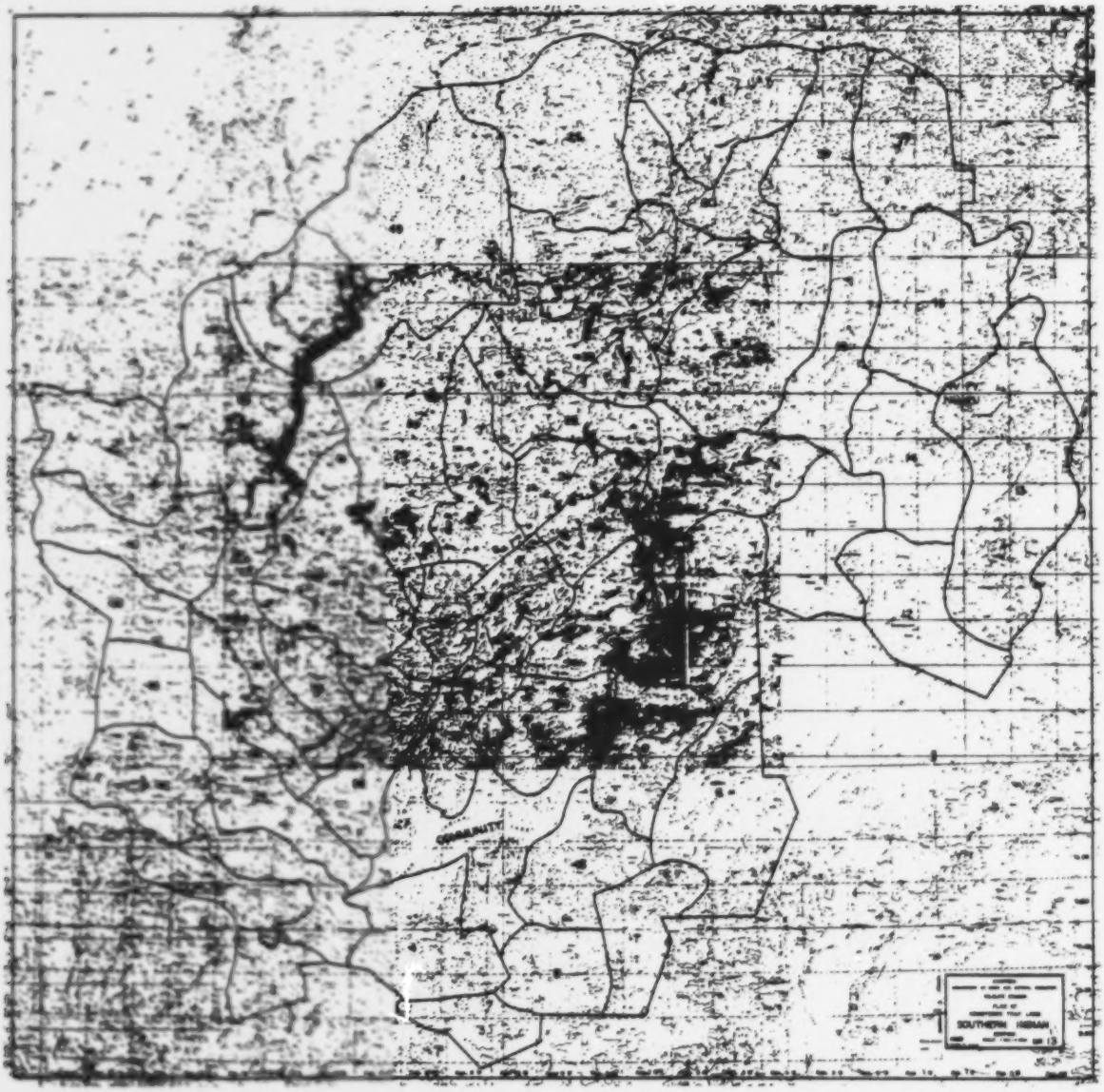
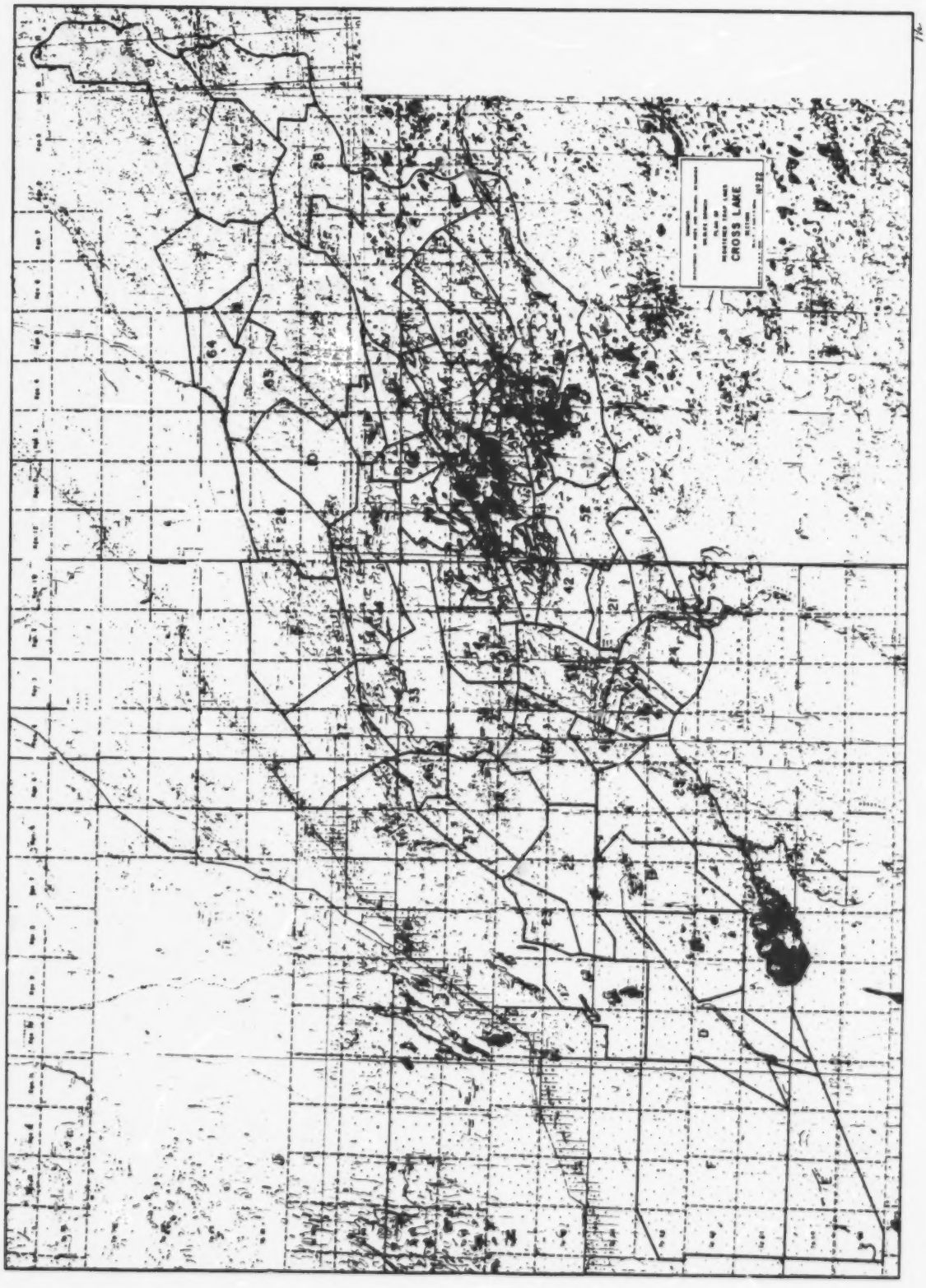
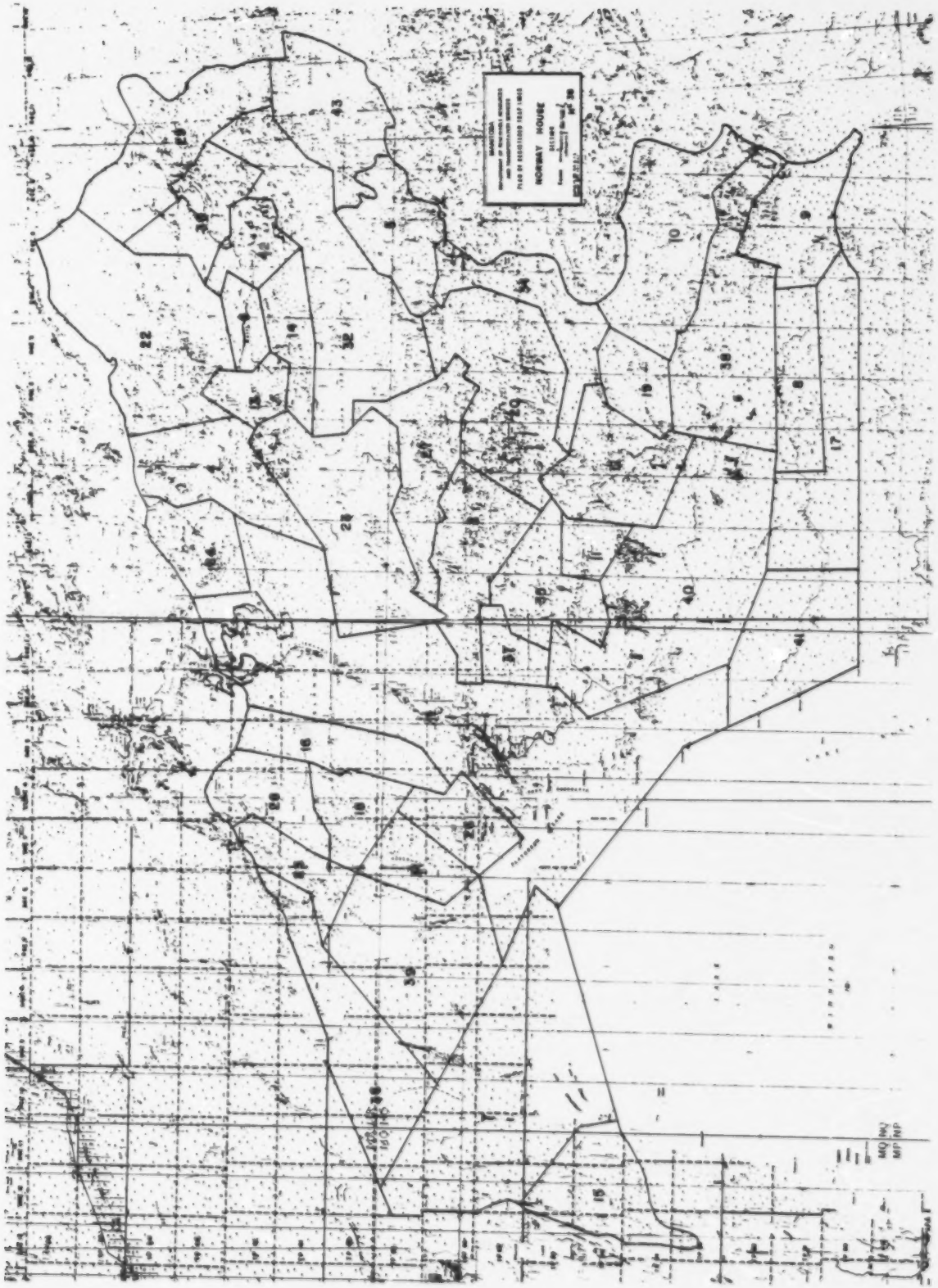


SCHEDULE "B"

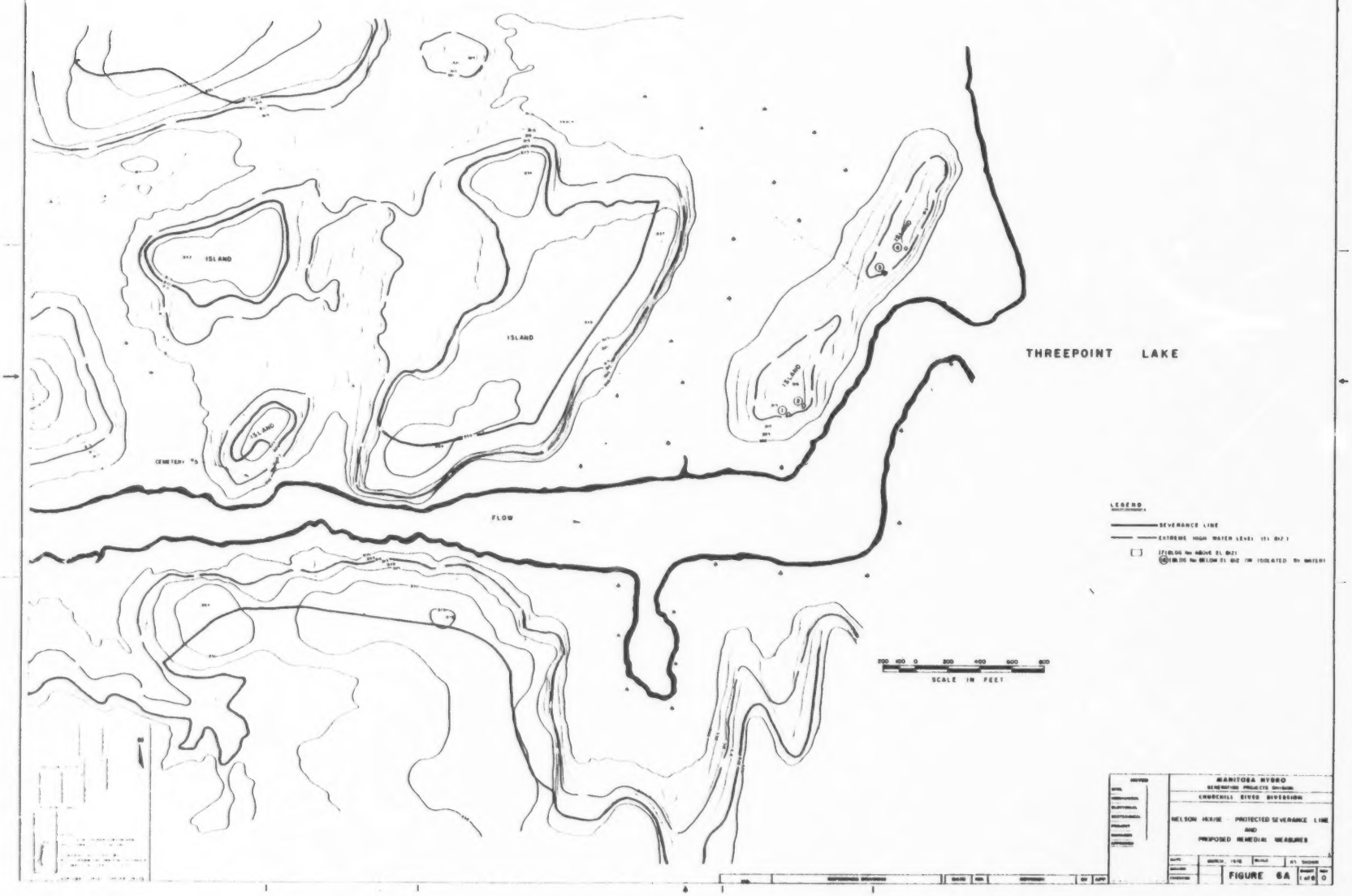
SCHEDULE "B"



SCHEDULE "B"



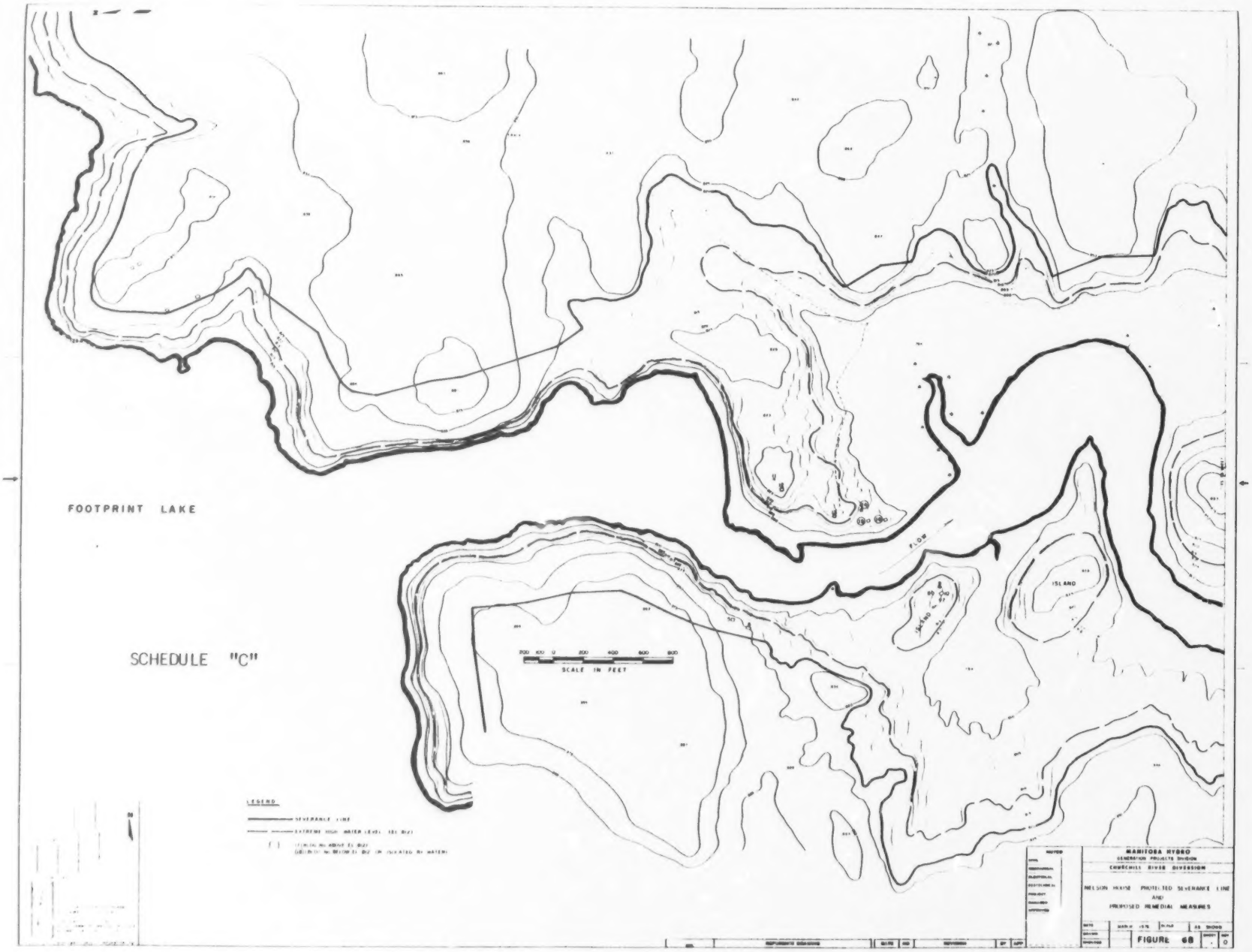
SCHEDULE "C"

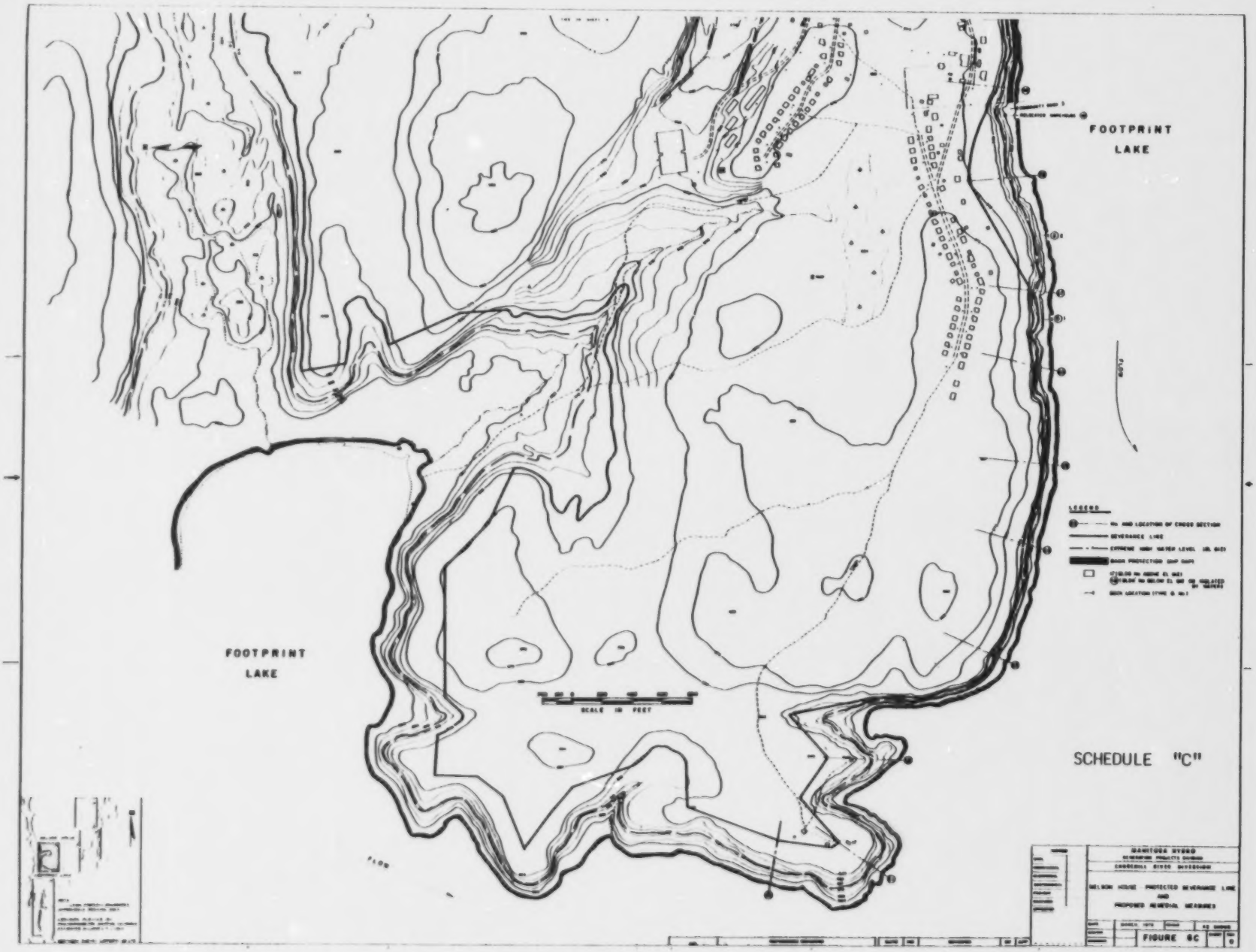


MANITOBA HYDRO
CHURCHILL RIVER DIVISION

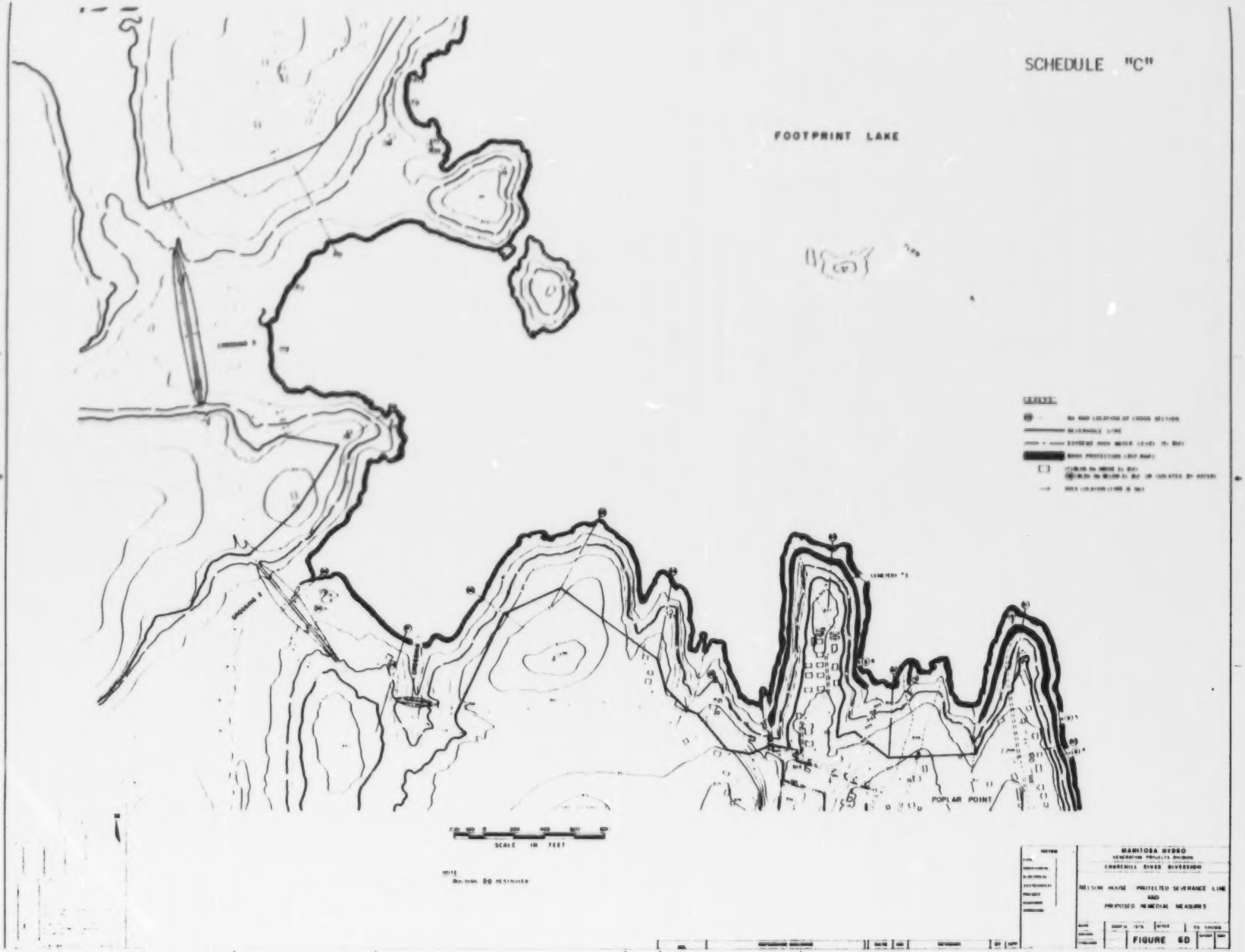
NELSON HOUSE - PROTECTED SEVERANCE LINE AND PROPOSED REMEDIAL MEASURES

FIGURE 6A

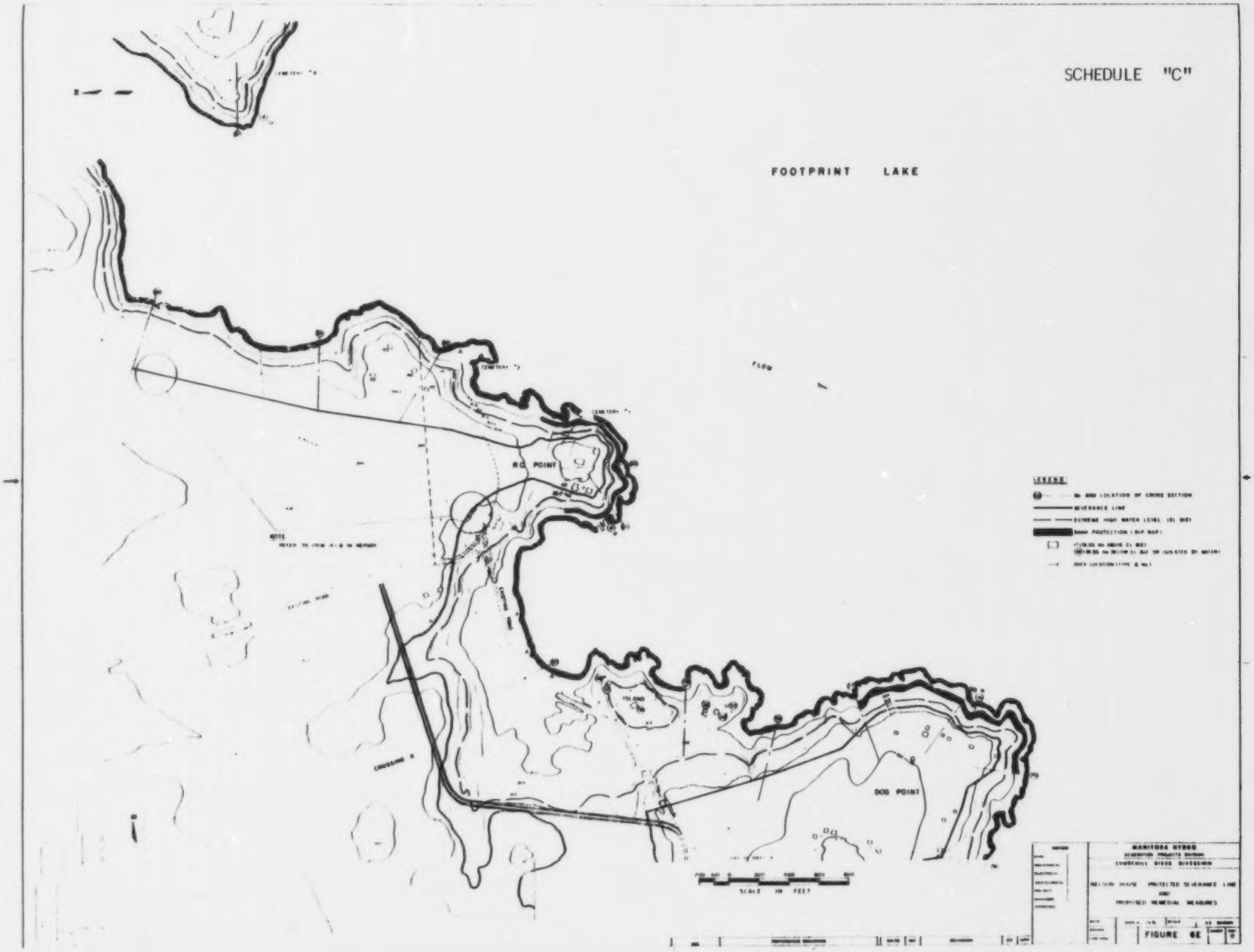

FOOTPRINT LAKE
SCHEDULE "C"
ISLAND
SCALE IN FEET
LEGEND
MANITOBA HYDRO
GENERATION PROJECTS DIVISION
CHURCHILL RIVER DIVERSION
NELSON HOUSE PROTECTED SEVERANCE LINE
AND
PROPOSED REMEDIAL MEASURES
FIGURE 68


FOOTPRINT
LAKE
FOOTPRINT
LAKE
SCALE IN FEET
SCHEDULE "C"
FIGURE 6C

SCHEDULE "C"


FOOTPRINT LAKE
POPLAR POINT
SCALE IN FEET
MANITOBA HYDRO
FIGURE 6D

SCHEDULE "C"


FOOTPRINT LAKE
R.C. POINT
DOG POINT
LEGEND
SCALE IN FEET
MANITOBA HYDRO
FIGURE 6E

SCHEDULE "C"

FOOTPRINT LAKE
CROSSING B
CROSSING B
SCALE IN FEET
LEGEND
MANITOBA HYDRO
CHURCHILL RIVER DIVERSION
FIGURE 6F

SCHEDULE "D"

REGISTERED TRAPLINE PROGRAM

MANITOBA HYDRO

PROPERTY DEPARTMENT
1975

TO: NORTHERN MANITOBA TRAPPERS DATED: November 7, 1975

The income assistance and support payments and other benefits provided by this program shall apply to all trappers whose trapping activities have been, or may be affected, directly or indirectly, by the operations of Manitoba Hydro in Northern Manitoba.

The program is being implemented on the clear understanding and condition that any trapper who receives benefits under the program does so on a "without prejudice basis". In other words, participation in the program shall not limit, in any way whatsoever, any rights a trapper has or may have as a result of any adverse effects on trapping activities arising from Manitoba Hydro operations. Of course, any payments or benefits received by a trapper under the program will be taken into account when a full and final settlement is concluded.

The Northern Flood Committee Inc. shall have the right to notice of and to attendance at all meetings between Manitoba Hydro representatives and individual trappers, and/or local fur councils which the Northern Flood Committee represents. This involvement of the Northern Flood Committee will also be without prejudice to any rights which the Indian Bands which the Northern Flood Committee represents have or may have.

NORTHERN FLOOD COMMITTEE, INC.

Per: _____

MANITOBA HYDRO

Per: _____

REGISTERED TRAPLINE PROGRAM

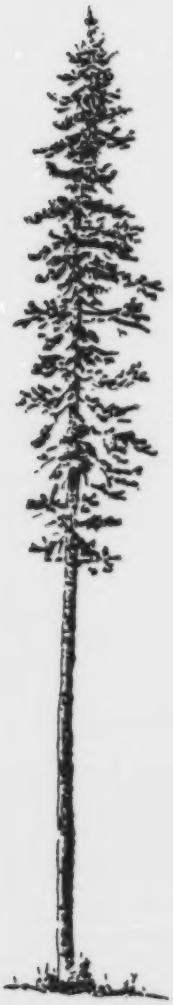
This Program provides compensation for loss of fur production and encourages efficient use of existing fur resources.

The following Program was prepared by Manitoba Hydro with the assistance of:

Registered Trappers

Department of Mines, Resources and Environmental Management

Department of Northern Affairs



I. REGISTERED TRAPLINE AREAS SUBJECT TO 100% PERMANENT LOSS

The trapper(s) will be given the opportunity to relocate to a new trapline[1] and be compensated for their losses on the following basis:

1. Manitoba Hydro will make an initial payment (date to be determined) equivalent to the highest annual individual trapper's production on the abandoned traplines during the preceding ten year period (1965-1975). Payments would be based on fur price index which equals production x market value of fur during the affected year.

2. Manitoba Hydro will pay an annual subsidy to the trapper(s) equivalent to 100% of the value of the furs trapped on the new line for the first three year period.

3. Manitoba Hydro will pay an annual subsidy to the trapper(s) equivalent to 50% of the furs trapped on the new line for the fourth year.

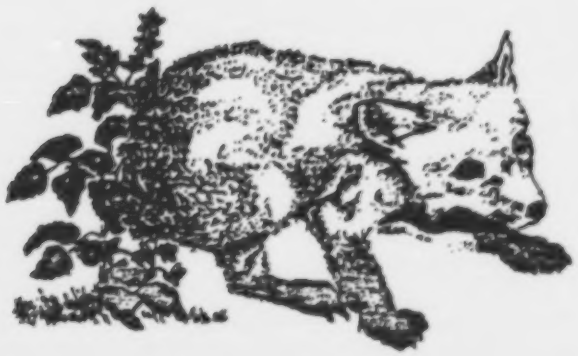
4. Manitoba Hydro will pay an annual subsidy to the trapper(s) equivalent to 25% of the value of the furs trapped on the new line for the fifth year.

---

1. Granting of a new trapline will be co-ordinated by the affected trapper, the President of the local fur council and the head Conservation Officer for the area.

In addition Manitoba Hydro will provide a fixed wing aircraft to allow a trapper to assess the new trapline from the air, and such incidental expenses as compensation for labour in the construction of a line cabin,[1] improving portages, or additional access roads should the new trapline location substantially increase the travelling distance involved. A maximum of $2,000.00 per trapline has been established to cover these incidental expenses. This type of assistance would be on the basis of proven need and would not automatically be available for every affected trapline.

NOTE: The term "value of furs trapped" refers to the average yearly pelt value as determined by the Department of Mines, Resources and Environmental Management based upon Winnipeg sale prices x the number of pelts produced.



1. Labour costs for construction of a line cabin are not considered if a trapper has been compensated for removal of an existing cabin on his former line.

II. REGISTERED TRAPLINE AREAS SUBJECT TO A PERMANENT PARTIAL LOSS OF PRODUCTION

The trapper(s) will be given the opportunity to relocate to a new trapline[1] with Manitoba Hydro providing compensation based on Part I, or, assuming use of the former trapline is continued:

1. Manitoba Hydro will pay annual compensation for the partial loss of aquatic fur bearing animals in existing trapline production.[2] This will be equivalent to the highest annual production during the preceding 10 year period for furs which are no longer available. It will continue for a period of 5 years and be subject to the fur price escalation index for these years.

2. Manitoba Hydro will pay an annual subsidy to the trapline holders equivalent to 100% of the value of aquatic furs trapped annually over the first three year period.[3]

3. Manitoba Hydro will pay an annual subsidy to the trapline holders equivalent to 50% of the value of aquatic furs trapped during the fourth year.

4. Manitoba Hydro will pay an annual subsidy to the trapline holders equivalent to 25% of the value of aquatic furs trapped during the fifth year.

---

1. Granting of a new trapline will be co-ordinated by the affected trapper, the President of the local fur council, and the head Conservation Officer for the area.

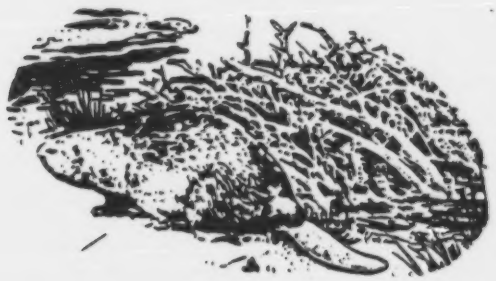
2. Percentage of loss is determined through consultation with the affected trapper, the local conservation officer, President of the local fur council and review of fur production records.

3. Aquatic fur bearing animals refers to Muskrat, Beaver, Mink and Otter.

In addition Manitoba Hydro will provide such incidental expenses as compensation for labour in the construction of a line cabin,[1] improving portages, or additional access roads should the remaining trapping area substantially increase the travelling distance involved. A maximum of $2,000.00 per trapline has been established to cover these incidental expenses. This type of assistance would be on the basis of proven need and would not automatically be available for every affected trapline.

NOTE: Compensation as it relates to the Permanent Partial Loss Program will be paid only up to a maximum harvest equal to 200% of the historic ten year high annual production of aquatic fur bearing species in the area affected by Manitoba Hydro.

The term "value of furs trapped" refers to the average yearly pelt value as determined by the Department of Mines, Resources and Environmental Management based upon Winnipeg Sale Prices x the number of pelts produced.



1. Labour costs for construction of a line cabin are not considered if a trapper has been compensated for removal of an existing cabin.

III. REGISTERED TRAPLINE AREAS SUBJECT TO PARTIAL LOSS OF PRODUCTIVITY THROUGH A TRANSITIONAL PERIOD

The trapper(s) will be given the opportunity to relocate to a new trapline[1] with Manitoba Hydro providing compensation based on Part I, or, assuming use of the former trapline is continued.

1. Manitoba Hydro will pay annual compensation for loss of production based on the highest annual production during the preceding 10 year period (subject to the fur price escalation index) for a 5 year period with periodic review by Manitoba Hydro to determine the productivity[2] of the trapline under the new conditions.

1. Granting of a new trapline will be co-ordinated by the affected trapper, the President of the local fur council and the head Conservation Officer for the area.

2. Probability of full return of production is determined through consultation with affected trapper, local conservations officer, fur resource people, biologists and President of the local fur council.

IV. REGISTERED TRAPLINES ALREADY AFFECTED BY CONSTRUCTION AND FOREBAY CLEARING

Manitoba Hydro will pay compensation for loss or partial loss of trapping income based on the highest annual production of fur bearing aquatic animals affected through the 10 years prior to construction. This figure converted to revenue would be subject to fur price index for those years affected.

The following areas have been affected and compensation will be awarded prior to the implementation of this three part program.

1. Jenpeg Generating Station - Payable September 1975 for years 1971/72, 1972/73, 1973/74 and 1974/75.

2. Jenpeg Clearing - Payable September 1975 for years 1972/73, 1973/74 and 1974/75.

3. South Bay - Notigi Control - Issett Channel and Associated Clearing - Payable July 1975 for the years Spring 1973, 1973/74 and 1974/75.

V. COMMUNITY TRAPLINE - CROSS LAKE - SOUTH INDIAN LAKE - NELSON HOUSE

Where a Community Trapline is adversely affected Manitoba Hydro will compensate the Community in the form of some local improvement which will offset the loss of trapping benefits.

VI. TRANSFER OF TRAPLINE RIGHTS

In the event of the death of an active trapper or his inability to continue to trap during the period of application of this policy, compensation for damage resulting from works will be paid to his estate. Continuing compensation based on the Program will be restricted to new trappers who accept affected traplines provided that an alternate unaffected trapline is not available to them. If a trapper voluntarily accepts an affected trapline rather than an unaffected trapline there will be no liability for compensation.

VII RIGHT OF REVIEW

Manitoba Hydro will carefully consider all claims for compensation which it receives as a result of its construction projects, and will attempt to settle claims promptly. Such settlements will not be considered final. Upon completion of a project, all claims resulting from that project will again be reviewed by Manitoba Hydro to make sure they are consistent and fair, and adjustments will be made where necessary. However, if a final settlement cannot be agreed upon, an appeal procedure will be available.

METHOD OF ADMINISTRATION

A Committee will be established to administer the Program as follows:

1. Two representatives from Manitoba Hydro.
2. The Chief Conservation Officer (or his alternate) from the area.
3. The President of the Local Fur Council.
4. The assigned representative of the Department of Northern Affairs — Mr. Jock Gibb.

Authorized and accepted by Mr. J. F. Funnell, General Counsel and Secretary — June 4, 1975.

SCHEDULE "E"

COMMUNITY DEVELOPMENT PLANNING &
COMMUNITY DEVELOPMENT PLAN

1. PREPARATION OF COMMUNITY DEVELOPMENT PLAN

The parties to the Agreement jointly undertake to work towards a comprehensive Community Development Plan to be prepared for each of the five communities affected by hydro development.

The parties further agree to jointly undertake to facilitate and co-ordinate their efforts, departmental programs, financial resources, and administrative procedures within an organizational framework and planning process commensurate with the political and technical requirements of comprehensive, co-ordinated and effective community development planning, programming, budgeting and control.

2. SUBSTANTIVE PURPOSE OF DEVELOPMENT PLAN

The Community Development Plan shall serve as a policy co-ordinating instrument, setting forth the best-case community development scenario and joint action program for the eradication of mass poverty and mass unemployment and the improvement of the physical, social and economic conditions and transportation.

3. PARTICIPATION AND ADOPTION OF PLAN

The Community Development Plan will be developed in concert with the ideas and aspirations of the residents of the communities of Nelson

House, Norway House, York Landing, Split Lake and Cross Lake. "Residents" in this context shall include, without prejudice to the jurisdiction and obligation of Canada, non-Treaty residents and their representatives who may, at their option, participate equally and benefit equally from the community planning process. Formal and complete adoption of the plan shall be attained only by endorsement of the parties to the Agreement together with a Band Resolution from each of the five Bands.

4. SCOPE AND CONTENT OF DEVELOPMENT PLAN

A Community Development Plan shall embrace the economic, social and physical circumstances of the residents of the five communities, and any other narrative, text or illustration required to clarify goals, objectives, policies, programs, targets, dates, etc., and to inject long-range considerations into determinations of short-term actions and requirements.

To the extent possible and feasible, both planning exercise and plans shall embrace the considerations and requirements spoken to in The Manitoba Planning Act of 1975. Additionally, each part of the Development Plan shall specify the authority that can address appropriately the funding and implementation of all features of the plan.

5. STUDIES TO DETERMINE PROGRAMS AND TARGETS

The determination of physical and human development targets for each

community shall require an assessment to be made of the principal physical, social and economic conditions of the community and its high unemployment rate, low standard of living and unsatisfactory infrastructure. This shall include an audit and evaluation of the community's potential productive capacity in terms of its currently idle, under-utilized, underdeveloped and adversely affected natural, man-made and human resources.

Assessment results shall be disclosed and set out under the following headings:

1 - Description of community conditions and problems;

2 - Diagnosis of origin, causes and consequences;

3 - Classification of "acceptable" & "unacceptable" conditions;

4 - Range of remedial policies and measures proposed;

5 - Criteria for selection of policies and measures;

6 - Factors limiting choice of policies and measures;

7 - Appraisal of impact of policies and measures proposed;

8 - Definition of community development objectives and method; and

9 - Organizational and operational problems to be overcome.

6. EXPENDITURES BY DEVELOPMENT CORPORATION

Notwithstanding any provision to the contrary herein, all investments, enterprises or expenditures, of the Development Corporation shall implement and be consistent with an approved Community Development Plan

or area development strategy. Pending adoption of any Community Development Plan or the area development strategy, expenditures in accord with Band Council Resolutions from any and all Bands from whose local accounts funds are to be expended shall be deemed to conform with this requirement.

SCHEDULE "F"

The following are essential engineering requirements for the operation of the system, which shall be completed by Hydro involving to the maximum possible degree the residents of Nelson House Reserves:

Road Reconstruction	$ 963,000
Cemetery Reconstruction	280,000
Clearing Footprint River	21,000
New Houses (Phase I & II)	500,000
Relocation of Existing Services	115,000
Sewage Disposal	15,000
Miscellaneous Works:	
- Laundromat	120,000
- Coffee Shop	30,000
- Emergency Upgrading of road	50,000
Total:	$ 2,094,000

SCHEDULE "G"

1. The following items of work are intended to be completed by Cross Lake residents for the following stipulated amounts:

Item of Work	Total	Balance to Complete by Native Band
Water Supply	$ 50,000	$ 34,000
Building Relocation	300,000	290,000
Roads	350,000	270,000
Walkways	150,000	150,000
Shoreline Protection	150,000	150,000
Dock Improvement	250,000	169,000
Totals:	$1,250,000	$1,063,000

2. The following items of work are intended to be completed by Nelson House residents for the following stipulated amounts:

Item of Work	Manitoba Hydro and/or Others	Balance to Complete by Native Band
Slope Protection		$ 632,000
Beach		30,000
Docks	$ 80,000	15,000
Water Intakes (includes new pumphouse)	90,000	10,000
Notigi and Wapisu Landing Facilities and Docks		100,000
Burntwood Portages Downstream Notigi		25,000
Totals:	$ 170,000	$ 812,000
Total for Items 1 & 2		$1,875,000

(This is in addition to the Clearing Contract awarded to Nelson House Band of approximately $1,000,000)

vince of Manitoba

iter-departmental memo

SCHEDULE "H"

RECEIVED
Date AUG 5 1977
MANITOBA HYDRO
OFFICE OF GENERAL COUNSEL
SECRETARY

77 01 13

R. L. Carter,
Deputy Minister,
Dept. of Northern Affairs.

From R. W. Winstone,
Chief, Crown Lands Section,
Dept. of Renewable Resources
and Transportation Services.

ject: Re: Nelson House - your memo of November 7, 1976.

DEPARTMENT OF NORTHERN AFFAIRS
DEPUTY MINISTER'S OFFICE
JAN 17 1977

The attached map shows the areas reserved in our registers pending final settlement of negotiations with the Nelson House Band. Please confirm to the Flood Committee that the areas requested have been tentatively entered. This ensures that no other disposition will occur without your office being first advised but it does not reflect a Ministerial or Cabinet commitment on the lands.

Please be advised of the following prior commitments against these lands that will have to be considered relative to any final settlement.

Range 9 W.P.M.

All of Twp. 77-9 W.P.M. - is contained within the Burntwood River Power Reserve-O/C.

Parts of secs. 7 & 8, twp. 79-9 W.P.M. - were reserved for townsite sub-division by G. L. Kuran 19-2-73.

All 78, 79, 80-9 W.P.M. - tentatively reserved for Nelson House Indian land negotiation purposes-Premier's request 1-10-74.

All 77, 78, 79-9 W.P.M. (except Indian Reserves) - Mines and Minerals withdrawn from disposition-Crown use only - requested by J. T. Cawley 18-4-74.

Range 10 W.P.M.

All of Twps. 77, 78, 79, 80 and S½ Twp. 81 - are contained within the Burntwood River Power Reserve by O/C.

All Twps. 77, 78 and 79 (except Indian Reserves) - Mines and Minerals withdrawn from disposition - Crown use only - requested by J. T. Cawley 18-4-74.

Range 11 W.P.M.

E½ of Twps. 75 & 76 and all of Twps. 77 & 78, 79, 80 and S½ 81 - are reserved for the Burntwood River Power Reserve by O/C.

Twps. 77 & 78 - Mines and Minerals withdrawn from disposition - Crown use only - requested by J. T. Cawley 19-3-74 and 18-4-74.

.../2

Range 12 W.P.M.

All of Twps. 78, 79 & 80 - reserved for the Burntwood River Water Power Reserve by O/C.
Twp. 78 - Mines and Minerals withdrawn from disposition - Crown use only - requested by J. T. Cawley 19-3-74.

Range 13 W.P.M.

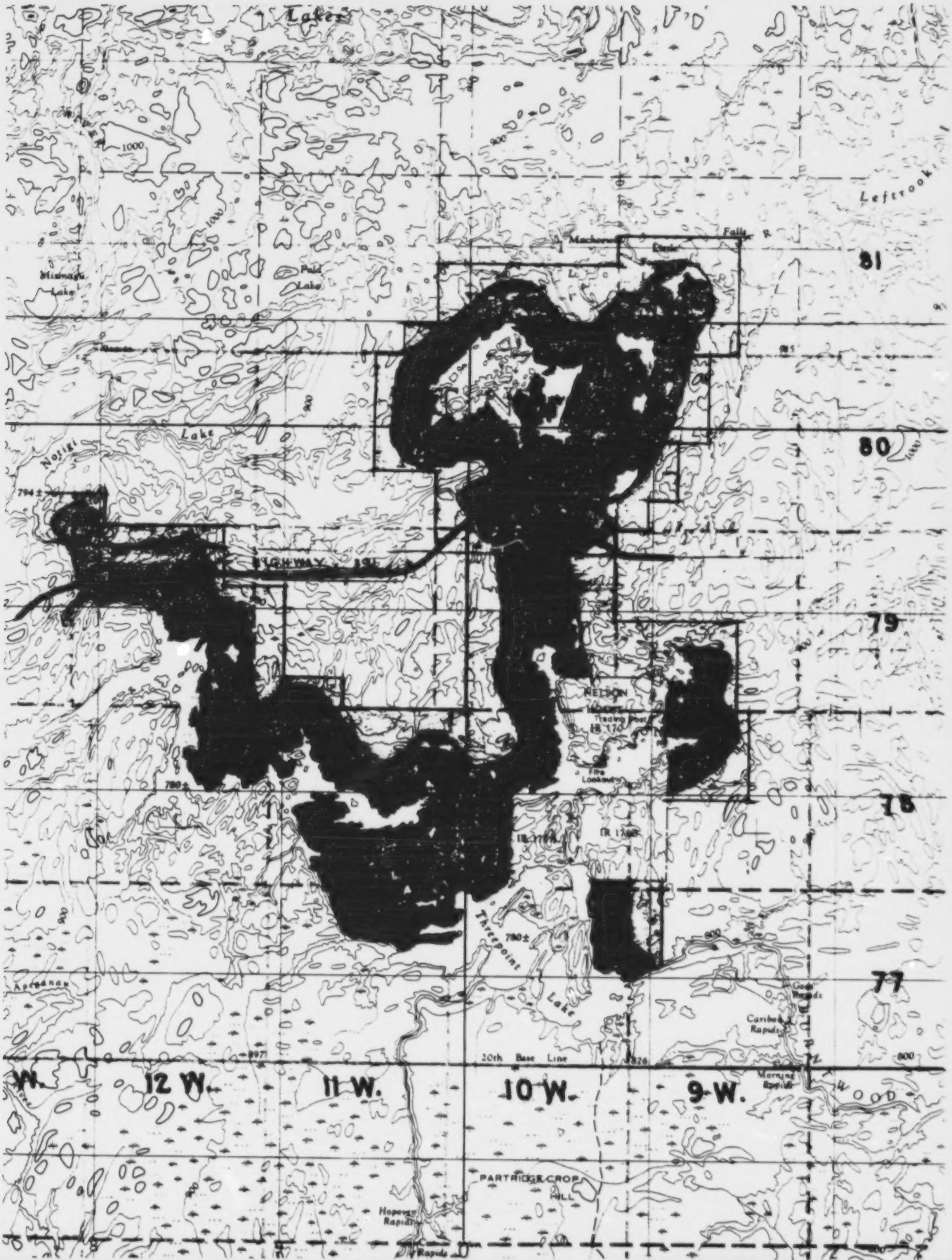
All Twp. 79 - is reserved for the Burntwood River Water Power Reserve by O/C.

It would appear that where water storage severance survey lines are established, the remaining water power reserve can be withdrawn to that severance line. The mines and minerals are withdrawn in favor of the Crown and therefore can be dealt with by the Crown. The other reservations are in lieu of negotiations with the Band and would not appear to restrict your requested temporary reservation. If you have questions, please phone or write for clarification. The area reserved is to the outside of the lands outlined in blue. The red indicates the approximate sketch area you outlined on the maps you forwarded to this office.

R. W. Winstone

RWW/sv
Att.

c.c. A. Murray
c.c. W. C. McLean


Lakes
Lefroy
Mismaga Lake
Pell Lake
Lake
Nolgi
HIGHWAY
NELSON
Fire Lookout
Threepoint Lake
Caribou Rapids
20th Base Line
PARTRIDGE CROP HILL
Hoppers Rapids
81
80
79
78
77
12 W.
11 W.
10 W.
9 W.